



Increasing Taxes—Bad for the Economy

Driving economic growth must be our nation's foremost domestic priority. The U.S. Chamber is committed to pro-growth tax policies that preserve America's global competitiveness and opposes tax increases that reduce businesses' ability to grow, invest, and create jobs.

A successful economy depends on a tax code that rewards achievement, encourages investment, and promotes growth. The Chamber believes any tax reform should allow businesses to compete globally, attract foreign investment, increase capital for investment, and drive job creation.

Preventing Significant Increases on American Business

- Successful small business proprietors—including taxpayers earning over \$250,000 (married) and \$200,000 (single)—could see their taxes rise under the administration's FY12 budget proposal, which would, on January 1, 2013:
 - Reinstating the 36% and 39.6% individual income tax rates.
 - Reinstating the personal exemption phase-out and limitations on itemized deductions.
 - Imposing a 20% rate on capital gains and dividends.
 - Limiting the tax rate at which itemized deductions reduce tax liability.
 - Extending the estate taxes at their 2009 levels (i.e., \$3.5 million exemption and top rate of 45%).
- Raising taxes on small business owners would have a severe impact:
 - The overall cost of this increase would be more than \$1 trillion over 10 years.
 - Small businesses that pay their taxes based on individual rates could see their effective rate rise to more than 44%.

The U.S. Chamber's Pro-Growth Tax Agenda

- The U.S. Chamber urges Congress and the administration to enact policies that bring tax rates in line with our global competitors and make compliance simpler and easier:
 - Enact comprehensive tax reform that reduces income tax rates and fosters job growth, competitiveness and innovation.
 - Ensure faster cost recovery of capital investment.
 - Permanently extend the 2001 and 2003 tax rates, including the marginal individual income tax rates and reduced rates on dividends and capital gains.
 - Repeal Section 9006 of the Patient Protection and Affordable Care Act (PPACA) that imposes increased Form 1099 information filing returns.
 - Minimize paperwork and withholding burdens on compliant small business taxpayers.
- Eliminate, or substantially reform, the alternative minimum tax (AMT) to protect a growing number of individuals and businesses, including many middle class Americans.
- Reduce the budget deficit through higher economic growth, spending restraint, and entitlement reform—not higher taxes.