

# Tax Policy

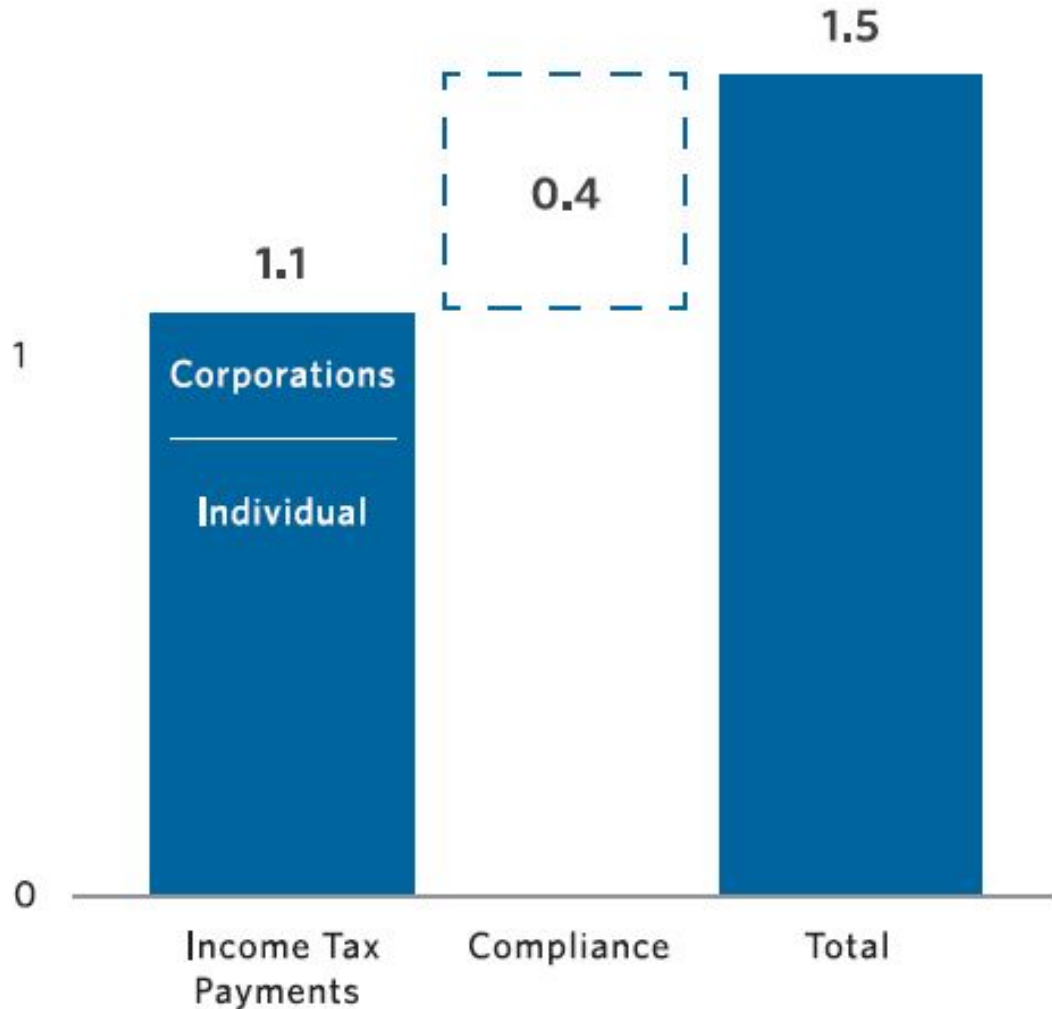
“The best course in the near term is to overhaul and *to dramatically simplify the current tax code*, eliminate taxes on savings for the middle class, and recognize that because we tax investment at both the corporate and individual level, we should *align our combined rates with those of competing nations*. Lower taxes and a simpler tax code will help families and create jobs.”

*Mitt Romney*

# Costs of income tax system

The federal tax system has become so complex that Americans spend more than \$400 billion annually in complying with—or creatively circumventing—the code. This amount represented a 40 percent surcharge on the taxes actually collected last year.

Source: *Office of Management and Budget; The Laffer Center*



# Tax Policy

**Number-one principal : no tax cut that adds to the deficit.**

## INDIVIDUAL TAXES

- Maintain marginal rates at current levels
- Further reduce taxes on savings and investment
- Eliminate the death tax
- Long-term goal: pursue a flatter, fairer, simpler structure

## CORPORATE TAXES

- Lower the corporate income tax rate to 25 percent
- Transition to a “territorial” tax system

# Results

- More Americans will be encouraged to save and to invest for the long-term → free up capital for investment flowing back into the economy and helping to facilitate economic growth
- Business climate no longer marked by hesitation → banks start to lend again → businesses start to hire
- Domestic companies that can compete strongly abroad are in a better position to grow and create jobs at home