

# THE BENEFITS OF MAINTAINING A COMPETITIVE CORPORATE TAX RATE

## The 2017 reduction in America's corporate tax rate strengthened the U.S. economy.

- Lowering the [corporate tax rate](#) from 35% to 21% [fueled](#) a 20% rise in domestic investment and brought \$2.7 trillion in overseas earnings back into U.S. communities.
- With a more competitive corporate tax rate, [GDP growth](#) exceeded the Congressional Budget Office's forecast by a full percentage point.
- Corporate tax [revenue](#) today exceeds the pre-2017 projections under the previous 35% rate, proving that lower rates have resulted in higher returns for the U.S. economy.

## Better aligning our tax code to international norms allows companies to invest in innovation, expand domestic operations, and create more American jobs.

- The current combined federal and state corporate tax rate is 25.6%, nearly two percentage points above the OECD average. Proposals to raise this rate further would reduce the competitiveness of U.S. businesses and risk hindering economic growth and job creation.
- A survey of over 700 U.S. business executives found that 75% agree or strongly agree they would significantly change their domestic investments if the corporate tax rate were increased.
- Since the TCJA, boosted domestic activity doubled payments for use of IP to U.S. corporations from \$190 billion in 2017 to \$386 billion in 2021. This shift in increased activity has added 1 million jobs, \$30 billion in capital investments, \$117 billion in sales, and \$11.9 billion in R&D spending.

## Businesses use corporate tax savings to raise wages, create new opportunities, keep prices affordable, and bolster pension plans – benefiting all Americans.

- With the reduced corporate tax rate, businesses invested in American workers, resulting in a \$6,000 increase in median household income, a [4.9%](#) rise in real wages, and the strongest manufacturing job growth in 20 years.
- Raising the corporate tax rate could also erase billions in [S&P 500](#) market value, jeopardizing the 401(k)s, IRAs, pensions, and retirement savings of hardworking Americans.
- After the 21% corporate tax rate was implemented, [unemployment reached](#) record lows for African Americans (5.3%), Hispanics (3.9%), and those without a high school diploma (4.8%).