

# Tax Reform

## OVERVIEW

While the U.S. corporate tax rate stands among the highest in the industrialized world, three quarters of construction businesses are subject to the individual rate, which remains higher still. Some in Washington, including President Obama, have proposed reforms chiefly concerned with lowering the corporate rate, despite the fact that C-corps make up just 5 percent of business entities and account for less than half of all private sector employees. Not only would a corporate-only reform fail to provide relief for tens of millions of small businesses, it would in fact amount to a significant effective tax hike, as broadly shared credits and deductions are eliminated to finance a corporate rate cut. Instead of widening the gap between small businesses and large corporations, making permanent worthy business tax credits and deductions (“extenders”).

- Repeal of Affordable Care Act taxes on wages and investment income.

## ABC OPPOSES

- Corporate-only tax reform.
- Any proposal that widens the statutory rate gap between pass-through entities and large corporations.

## BACKGROUND

More than a quarter century after its last significant reform, the nation's tax system is creaking under its own weight. The