



January 31, 2012

President Barack Obama  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500



The Honorable Harry Reid  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Mitch McConnell  
Republican Leader  
United State Senate  
Washington, DC 20510



The Honorable John Boehner  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Nancy Pelosi  
Democrat Leader  
U.S. House of Representatives  
Washington, DC 20515



Dear Mr. President and Congressional Leaders:

At the start of this new year, America faces many challenges. Our economy remains sluggish, and we desperately need pro-growth policies to get America working again and improve our competitiveness in the global marketplace. Foremost among our priorities for 2012, however, must be comprehensive reform to America's tax system. On behalf of the undersigned organizations, representing millions of taxpayers across the country, we therefore urge you to pass comprehensive reforms to the U.S. business tax system, including a substantial reduction in America's corporate tax rate.



When the United States last passed comprehensive tax reform more than 25 years ago, America's tax rates were among the lowest and most competitive in the industrialized world. Today, as you are aware, America's current federal corporate rate of 35 percent stands as the second-highest amongst OECD countries and creates significant disadvantages for U.S.-based companies, while simultaneously discouraging foreign investment in the U.S. Together with Japan, the country with the highest corporate tax rate, the U.S. has seen a flight of both business and capital as companies look at lower-tax countries for investment opportunities. For example, according to Ernst & Young, the U.S. and Japan suffered a net loss of 46 and 39 Fortune Global 500 company headquarters over the past decade, respectively.



Reducing the U.S. corporate rate to below the OECD's average rate of 25 percent would help reverse that trend while also creating jobs and benefiting all Americans. Several studies, including studies from the Heritage Foundation and the Milken Institute, concluded that a significant reduction in the corporate rate could create 500,000 to 2.2 million jobs in the United States.



Lower rates will not simply benefit American business, but also American families and workers. According to Ernst & Young, America's high tax rate heavily burdens workers, reducing wages and benefits approximately \$100-\$200 billion between 2000 and 2010. If the U.S. rate were reduced modestly to 25 percent, according to the Heritage Foundation, the average family of four could realize an additional income of \$2,484 annually.





Tax reform, therefore, is an issue that all Americans can support. Lower rates and a simpler code would incentivize American businesses to invest at home and hire more American workers. Lowering the corporate tax rate also would allow the U.S. to better compete with other countries in attracting investment from our traditional trading partners in North America and Europe, as well as the emerging economies of Latin America and Asia.

Accordingly, on behalf of the undersigned organizations, we urge you to make comprehensive tax reform a top priority in 2012 for the benefit of American employers and American workers.

Sincerely,

- Jim Martin, Chairman, 60 Plus Association
- Stephen DeMaura, President, Americans for Job Security
- Phil Kerpen, Vice President, Policy, Americans for Prosperity
- Grover Norquist, President, Americans for Tax Reform
- Gary Bauer, President, American Values
- Jeffrey Mazzella, President, Center for Individual Freedom
- Iain Murray, Vice President, Competitive Enterprise Institute
- Richard Viguerie, Chairman, ConservativeHQ.com
- Tom Schatz, President, Council for Citizens Against Government Waste
- Gary A. Marx, Executive Director, Faith & Freedom Coalition
- Eli Lehrer, Vice President, Heartland Institute
- Mario H. Lopez, President, Hispanic Leadership Fund
- Seton Motley, President, Less Government
- Colin A. Hanna, President, Let Freedom Ring
- Mandi Campbell, Legal Director, Liberty Center for Law and Policy
- Mathew Staver, Founder and Chairman, Liberty Counsel
- Deryl Edwards, President, Liberty Counsel Action
- Duane Parde, President, National Taxpayers Union
- Dr. William Green, President, RightMarch.com
- Karen Kerrigan, President and CEO, Small Business & Entrepreneurship Council
- David Williams, President, Taxpayers Protection Alliance
- Judson Phillips, Tea Party Nation
- Susan A. Carleson, Chairman and CEO, The American Civil Rights Union