News Release

FOR IMMEDIATE RELEASE

Miller & Chevalier Chartered and the National Foreign Trade Council
Release 10th Annual Tax Policy Forecast Survey

While Substantive Tax Reform Discussions Will Continue, Not One Respondent Believes Such Reform Will Happen in 2016

Washington, DC, March 30, 2016 — Miller & Chevalier Chartered and the National Foreign Trade Council (NFTC) today announced the results of their 2016 Tax Policy Forecast Survey, which encapsulates leading tax executives’ perspectives on the upcoming tax legislative agenda. The results suggest that while presidential and congressional elections should contribute to continuing substantive discussions of comprehensive tax reform in 2016, expectations for actual legislative action are low.

“Respondents continue to be uncertain about when comprehensive tax reform will be enacted, or whether it will even happen at all,” said Miller & Chevalier member and Tax Department Vice Chair Marc Gerson, former majority tax counsel to the House of Representatives Committee on Ways and Means. “That said, with the presidential and congressional campaigns in full swing, we are seeing a more active dialogue on tax policy than in prior election years. Most essential to our respondents is that policymakers address issues facing businesses, including the United States’ high statutory tax rate and the need to level the global playing field through international tax reform.”

Respondents point to Republican presidential candidates as having more favorable tax policy conversations than Democratic presidential candidates. Similarly, the vast majority of respondents say Republican control of both the House and Senate would create the greatest likelihood of tax reform over the next two years.

Changes in congressional leadership are also perceived as positives for tax policy. Nearly 40 percent of respondents identify Representative Paul Ryan’s ascension to Speaker of the House of Representatives as the factor that will have the single most positive impact on tax policy in 2016.

“While there’s hope that changes in presidential and congressional leadership will have a positive impact on tax reform, respondents are still unsure whether such reform will actually happen,” said Catherine Schultz, vice president for tax policy at the NFTC. “This uncertainty stems from three factors — divided government, lack of agreement on desired revenue impact and lack of administration support — which respondents believe are the greatest impediments to comprehensive tax reform.”

Survey Highlights

- Despite a livelier conversation about tax reform, not one survey respondent believes tax reform will happen in 2016. An overwhelming number of respondents (82 percent) believe there will be no tax legislation at all in 2016.

- Respondents name the enactment of revenue-raising provisions without offsetting tax rate reductions (30 percent) and the United States’ high statutory tax rate (22 percent) as their top two business tax concerns in 2016.
Business executives express deep concern that the statutory rate will not be sufficiently reduced. If tax reform eventually progresses, respondents identify the top statutory corporate rate to most likely result as either 25 percent or 28 percent, which still would leave the U.S. at a competitive disadvantage in comparison to its major trading partners.

78 percent of respondents believe Senator Bernie Sanders would have the least favorable tax policy for business income, followed by Secretary Hillary Clinton — whom 51 percent of respondents name as the most likely winner of the 2016 presidential election.

Tax executives believe that Congress will again extend the temporary tax provisions that were not made permanent by the year-end Protecting Americans From Tax Hikes Act of 2015. But most respondents (55 percent) believe that Congress will do so only when or after those provisions expire, suggesting that the provisions may lapse before being extended on a retroactive basis.

A full copy of the survey results and analysis are available here. A link to the survey results infographic is available here.

About Miller & Chevalier

Founded in 1920, Miller & Chevalier is a Washington, DC law firm with a global perspective and leading practices in Tax, Employee Benefits (including ERISA), International Law and Business, White Collar and Internal Investigations, Complex Litigation, and Government Affairs. In an era of big law, Miller & Chevalier is a top-ranked firm sharply focused on targeted areas that interact with the federal government. Over the past three years, the firm’s lawyers have represented more than 40 percent of the Fortune 100, one-quarter of the Fortune 500 and approximately 30 percent of the Global 100. Based in Washington, DC, a significant number of firm lawyers have held senior positions in the U.S. government and have written many of the regulations they currently help clients navigate. For more information on the firm, visit www.millerchevalier.com.

About the National Foreign Trade Council

The National Foreign Trade Council (www.nftc.org) is a leading business organization advocating an open, rules-based global trading system. Founded in 1914 by a broad-based group of American companies, the NFTC now serves hundreds of member companies through its offices in Washington, DC, and New York.

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