

# A Competitive Corporate Tax Rate Supports American Workers

As a result of tax reform, the U.S. business tax system is more globally competitive and encourages companies to invest at home. In only two years after tax reform, the lower corporate rate of 21% contributed to an increase in household income, higher wages for workers and lower unemployment.



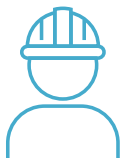
**500,000+**

new U.S. jobs due to increased domestic activity by U.S.-based multinational companies



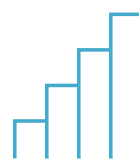
**5%**

increase in real wages



**4.9%**

lowest recorded unemployment rate for adults without a high school diploma



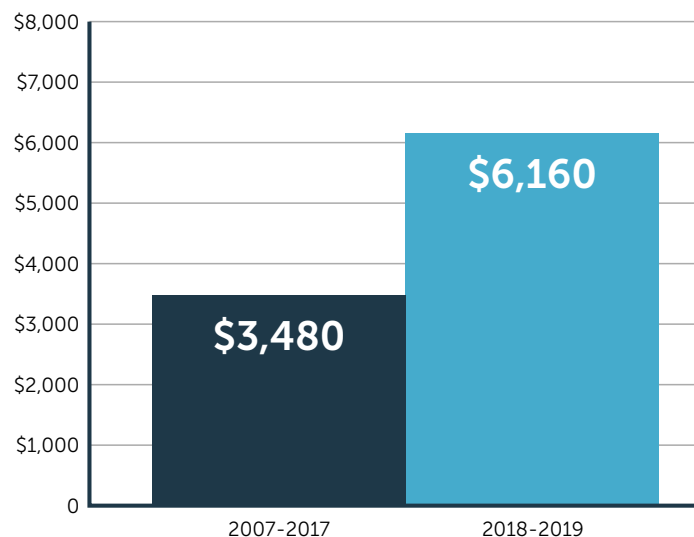
**40%**

higher growth in incomes for the lowest 10% of earners compared to those at the top

## Tax Reform Increased Household Income

Real median household income rose by more in the two years after enactment of the 2017 tax reforms than in the prior 10 years combined.

### Change in Real Median Household Income



Source: Census Bureau.

## Who pays the corporate tax burden?

**28%**

**Workers**

through lower wages

**20%**

**Shareholders**

through lower returns on investment

**52%**

**Consumers**

through higher prices



Source: NBER Working Paper No. 27058; April 2020, revised March 2023.

## Higher Corporate Taxes Harm American Workers, Families and Shareholders

### **\$200 billion tax increase:**

A 25% corporate rate would impose a tax increase on families making less than \$320,000 per year in the form of lower wages

### **Taxed 3x:**

Families that work, consume and invest retirement funds in corporate stock get hit by the corporate tax three times

### **58% of American families:**

Own stock directly or indirectly through pensions or retirement plans

### **Americans earning less than \$72,500:**

Pay more in corporate taxes than they do in individual income taxes due to lost wages

### **1.5 million small businesses:**

Would be subject to a higher corporate rate, 85% of which have fewer than 20 employees

### **Seniors hit hardest:**

Seniors derive over half their income from dividends, 401(k)s, pensions and other investments

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