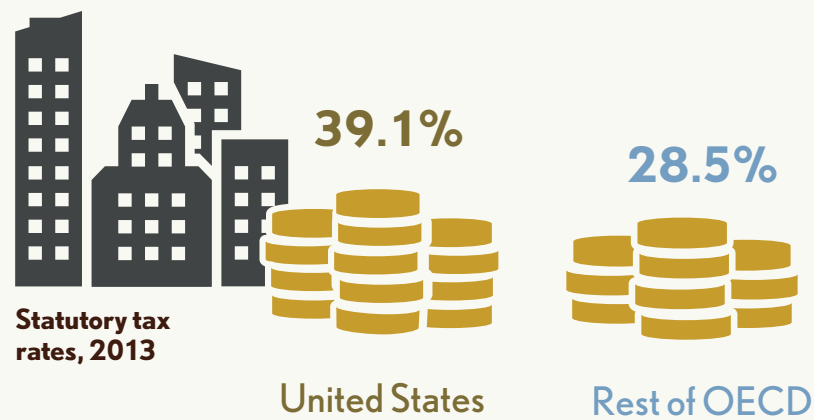




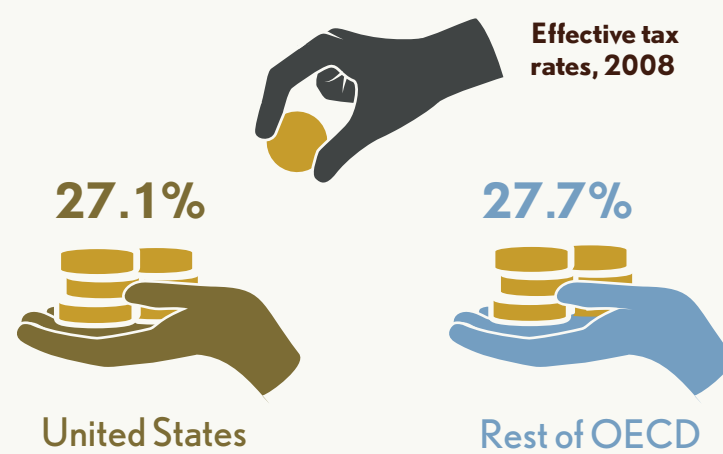
# Standard Deductions

## U.S. Corporate Tax Policy

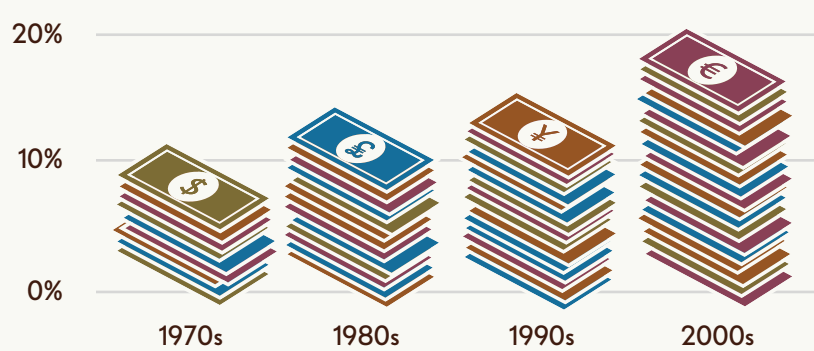
### Uneven Rates



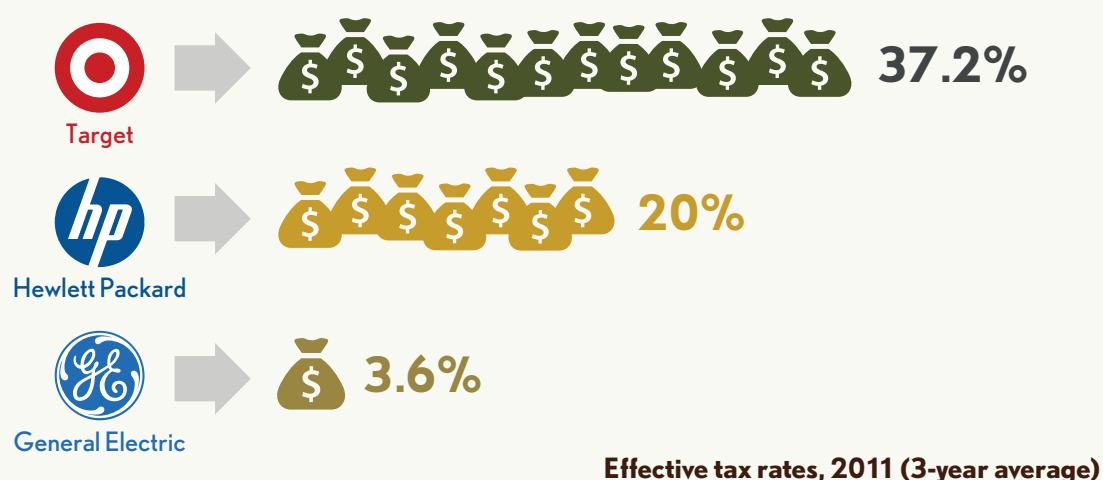
The United States has the highest corporate tax rate in the developed world before taking into account tax breaks.



But because U.S. law allows tax breaks, U.S. corporations pay an effective tax rate similar to what their international competitors pay.

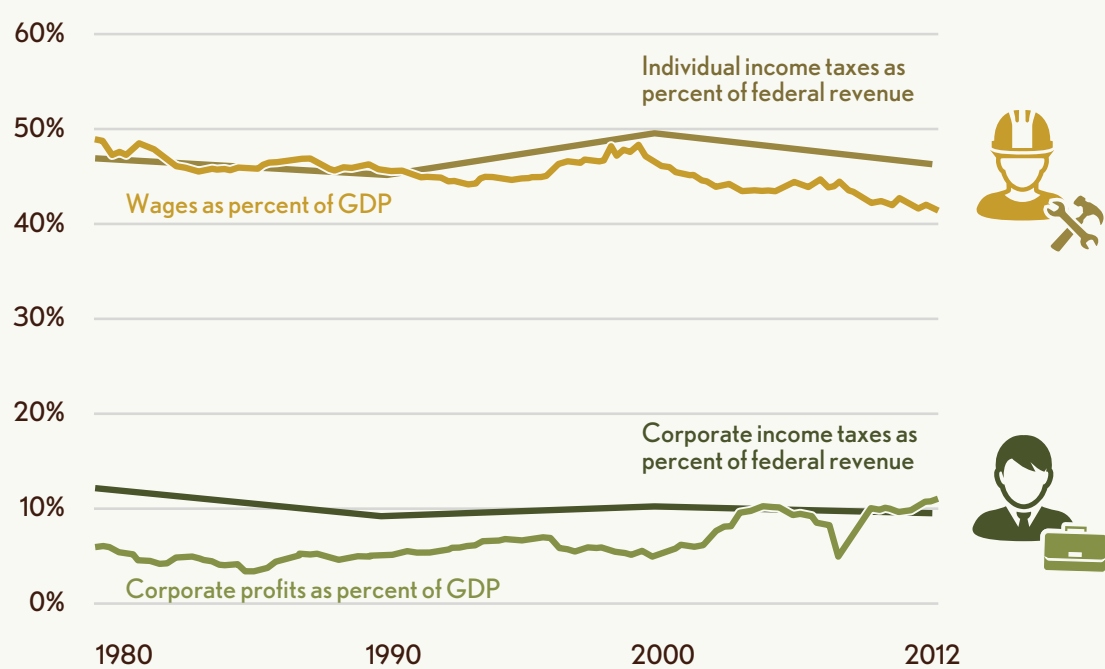


The biggest tax break is for foreign profits, which have been increasing steadily as a share of corporate profits.

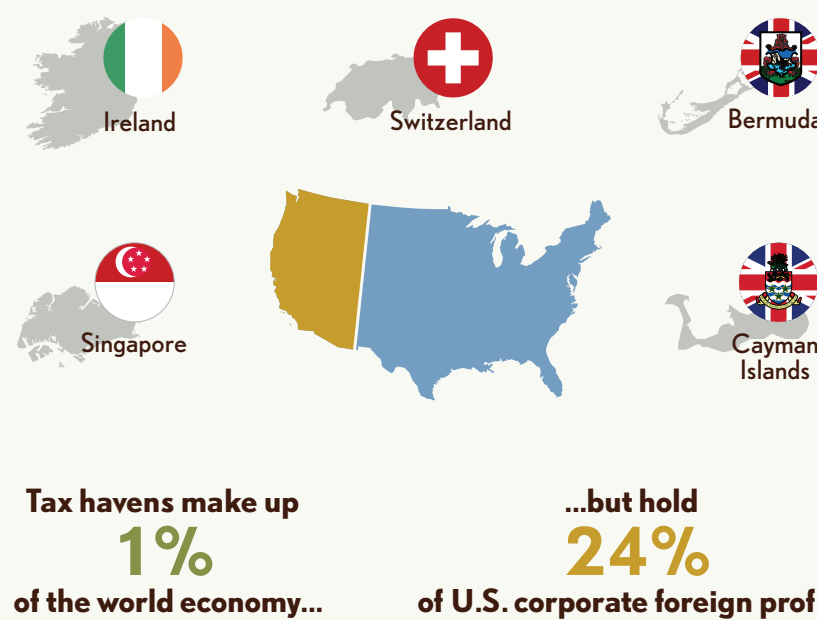


As a result of these rules, some companies with high foreign profits pay a low tax rate.

### Eroding Base

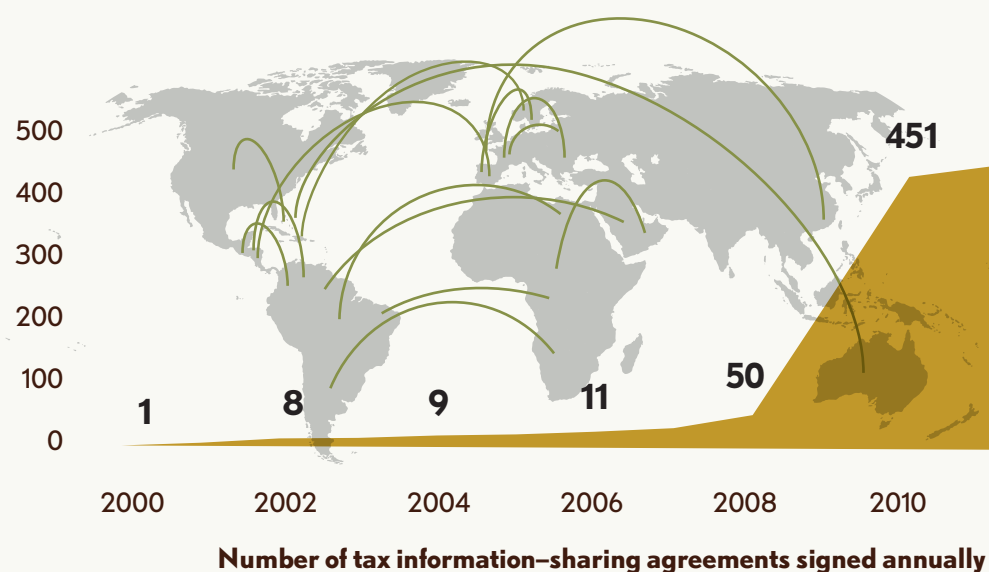


Corporate profits are up and wages are down, yet there has been little change in the relative tax burden between individuals and corporations.

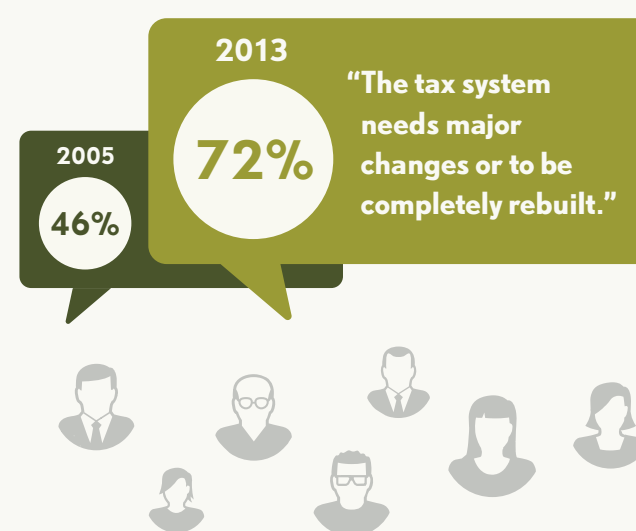


U.S. tax law creates incentives for U.S. firms to record profits in foreign tax havens rather than to reinvest those profits in the U.S. economy.

### Future Opportunities



Through tax agreements, the developed world is trying to crack down on tax avoidance.



The public is increasingly in favor of a tax-code overhaul.

