

The Whitehouse Tax Fairness Plan

*“Comprehensive tax reform, we all think it ought to be done.”
- Sen. Mitch McConnell, December 2, 2014*

*“So there is definitely a deal to be done [on tax reform].”
- President Barack Obama, December 3, 2014*

THE PROBLEM

Right now America’s tax code is riddled with costly loopholes that benefit some of the highest earners and largest corporations. These special interest provisions have created two sets of tax rules: one for middle-class families and small businesses, and one for wealthy interests and multi-national corporations. With President Obama and Republican Leaders in Congress indicating that they plan to make tax reform a priority in the 114th Congress, Senator Sheldon Whitehouse is introducing a package of bills that would make the current system fairer while also raising billions of dollars in new revenue. This revenue could provide substantial resources for investments in infrastructure and education, or could serve as a fairer way to fund new Republican initiatives than cuts to benefits that people rely on.

SHELDON’S PLAN

Implement the Buffett Rule.

- Thanks to a number of tax loopholes, America’s top earners often pay a lower effective tax rate than middle-class workers. Billionaire investor Warren Buffett has famously lamented he pays a lower tax rate than his secretary.
- Senator Whitehouse’s Paying a Fair Share Act would require multi-million-dollar earners to pay a minimum 30 percent effective federal tax rate, regardless of the number of special credits, deduction, and rates they claim.
- The bill would generate an estimated \$71 billion over ten years.

End tax giveaway for sending jobs offshore.

- Currently, U.S. companies that manufacture goods abroad for sale here at home are allowed to defer payment of federal income tax – waiting to pay taxes on foreign income in years that minimize their tax liability.
- Senator Whitehouse’s Offshoring Prevention Act would require companies that send factories and jobs overseas to play by the same rules as ones supporting jobs in the U.S., removing an offshoring incentive and helping local businesses compete.
- The bill would generate an estimated \$19.5 billion in revenue over ten years.

Close loopholes that allow multi-national corporations to avoid taxes.

- Some of America’s biggest corporations are able to dramatically reduce their taxes by funneling assets and profits through complex networks of offshore corporations.
- The Stop Tax Haven Abuse Act, which was originally championed by former-Senator Carl Levin, closes these loopholes and requires large multinational corporations to pay a fair share in taxes.
- The bill would generate at least \$220 billion in revenue over ten years.