



# CREATING NEW JOBS ON MAIN STREET & ACROSS AMERICA

Here's how this Blueprint makes it easier for employers to create new jobs and deliver more opportunity to all Americans:

## **JOB CREATOR #1: CUT TAXES FOR SMALL BUSINESSES**

Today, more than 50 percent of jobs are created by so-called “pass-through” businesses – sole proprietorships, partnerships, limited liability companies, and S corporations. They are taxed at the individual tax rates that can be as high as 44.6 percent.

For the first time, this Blueprint will create a separate, low tax rate of 25 percent for business income earned by these Main Street job creators. This represents the lowest tax rate on small business income since before World War II. As a result, small businesses will be able to keep more of their hard-earned profits and use those funds to grow their companies, raise wages, hire new workers, and invest in their communities.

## **JOB CREATOR #2: ALLOW FULL & IMMEDIATE WRITE-OFFS FOR BUSINESS INVESTMENT**

When America's job creators buy new equipment, they face complex depreciation rules, which allow the business to write off the purchase over a long and often arbitrary period of time. Too often, these rules require businesses to spend additional funds on accountants to determine how each asset must be treated for tax purposes – funds they could better use to grow their business.

For example, a small S corporation that manufactures furniture wants to expand its production line and invests \$2.5 million in the necessary equipment. Under the current tax code, the business must depreciate that equipment over seven years. To make matters worse, businesses are not able to recover the real cost of the asset, which means they effectively pay higher taxes.

The Blueprint would allow this manufacturer to immediately write off the full \$2.5 million cost of the equipment in the first year. This effectively provides a tax-free return on new investment. The manufacturer will then be able to use the tax savings to hire more workers for a new production line, purchase more materials, or make other investments to grow the business. Full and immediate “expensing,” because it targets new investment directly, is considered one of the most pro growth policies available and would be a boon for American investors and job creators.

## **JOB CREATOR #3: GROW ECONOMY BY CUTTING TAXES ON SAVINGS & INVESTMENT**

Today, when Americans save and invest money outside of retirement accounts, they are taxed twice. First, the wages they earn are taxed – and then they are taxed a second time at a rate as high as 25 percent on any dividends and capital gains.

The Blueprint allows families and individuals to deduct 50 percent of the dividends, capital gains and interest received from investments in stocks, mutual funds or other investments. This will allow them to keep more of their investment earnings, which can be reinvested to keep growing their savings. At the same time, when these earnings are reinvested, they provide an important source of capital for businesses across the country to use to create jobs and expand their businesses.

## **JOB CREATOR #4: KILL THE DEATH TAX**

Today, when the owner of a family business passes away, too often Washington levies a death tax – as high as 40 percent – on that person's business and other assets. This tax makes it harder for family businesses to continue keeping their doors open, employing workers in the community, and contributing to the local economy.

By repealing the death tax, the Blueprint eliminates this potentially devastating tax, making it easier for job creators to stay in business and continue creating jobs in their communities. Plus, it will save America's entrepreneurs from having to divert scarce capital to hire expensive accountants and lawyers to develop estate plans – all to ensure that their companies survive to the next generation.

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## JOB CREATOR #5: REGAIN AMERICAN COMPETITIVENESS

Americans regularly hear about large companies that decide to move their headquarters – and good paying jobs – to other countries because they can no longer afford to pay sky-high U.S. corporate taxes. For every lost job, there are many local businesses down the supply chain that feel the consequences – the local market, auto mechanic, and dry cleaner all lose customers. And the community often loses a major benefactor that contributes to the local little league, YMCA, and charitable causes. The Blueprint addresses this problem through provisions that encourage corporations to stay in America and create new jobs at home, and even to attract foreign companies to relocate here.

First, the Blueprint lowers our corporate tax rate from 35 percent (the highest in the industrialized world) to 20 percent – an internationally competitive rate. Second, the Blueprint shifts from the current outdated, “worldwide” regime to a “territorial” system with competitive low tax rates. This change means that American job creators will no longer be taxed on their international income both at home and abroad, putting American companies at a competitive disadvantage against everyone else. In addition, this change will open the door for American companies to bring trillions of dollars of “stranded” income home – money that can be invested in communities across our country to create new jobs, increase wages, and invest in growing American businesses.

This Blueprint will also ensure that our country no longer adds an additional tax on our “Made in America” exports.

**1960**

**17 OF THE 20 LARGEST GLOBAL COMPANIES  
HEADQUARTERED IN THE U.S.**



**2015**

**6 OF THE 20 LARGEST GLOBAL COMPANIES  
HEADQUARTERED IN THE U.S.**



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