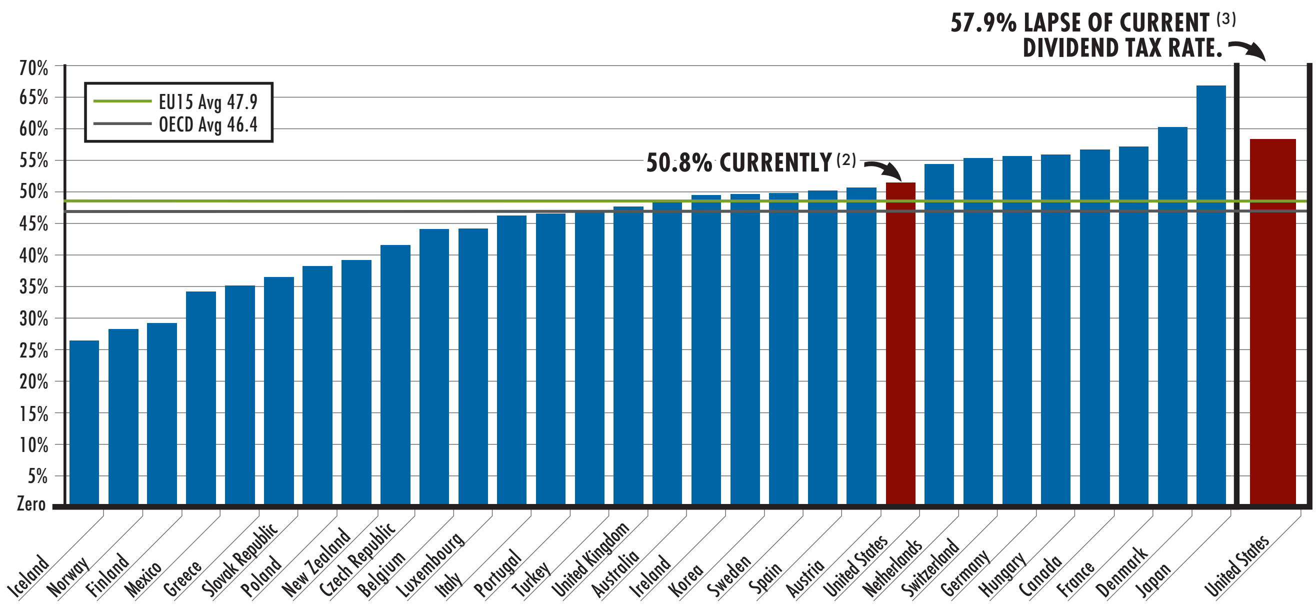
Will Congress Allow the U.S. to Lose Its Global Competitive Edge?

The United States cannot remain competitive in the global economy and promote strong job growth unless it increases its saving and investment. Congress would allow the U.S. to lose its current global competitive position if the current 15% tax rate on dividends and capital gains is not extended.

The U.S. currently ranks 9th highest in combined taxation of individual and corporate dividends among the 30 countries of the Organization for Economic Cooperation and Development (OECD).

Top statutory personal plus corporate tax rates on dividend income(1), 2003



1) This is the overall (corporate plus personal) top marginal tax rate on distribution of domestic source profits to a resident individual shareholder, taking account of imputation systems, dividend tax credits etc.
2) Source: http://www.oecd.org/dataoecd/26/51/33717596.xls
3) This calculation is based on OECD data for 2002, which approximates the U.S. tax on dividends if the tax cut is not extended.
Source: Organization for Economic Cooperation and Development

If Congress allows the 15% rate to lapse, the U.S. will lag further behind competitor nations in savings and investment–a key benchmark to economic growth and job creation.

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