

**ACCOUNTANCY
EUROPE.**

WELCOME





ACCOUNTANCY EUROPE

**TAX DAY:
EMBRACING CHANGE!**

Moderated by James Crisp



WELCOME

Edelfried Schneider
Accountancy Europe President



OPENING ADDRESS



LEAKS: WHAT IS THE NEW NORMAL?

Jeppe Kofod

Member of the European Parliament



BUSINESS CASE STUDY: TAX POLICY IN THE 21ST CENTURY

John Connors

Vodafone Group plc., Group Tax Director

TAX TAPAS: TECHNOLOGY FOR THE BENEFIT OF TAX SYSTEMS

Rivo Reitmann

EMTA/ETCB – Estonian Tax and Customs Board, Deputy-Director General

Martin Villig

Taxify, Co-Founder

Eelco van der Enden

Accountancy Europe, Chair of Tax Policy Group



REPUBLIC OF ESTONIA
TAX AND CUSTOMS BOARD

Modern tax collection, seamless taxation

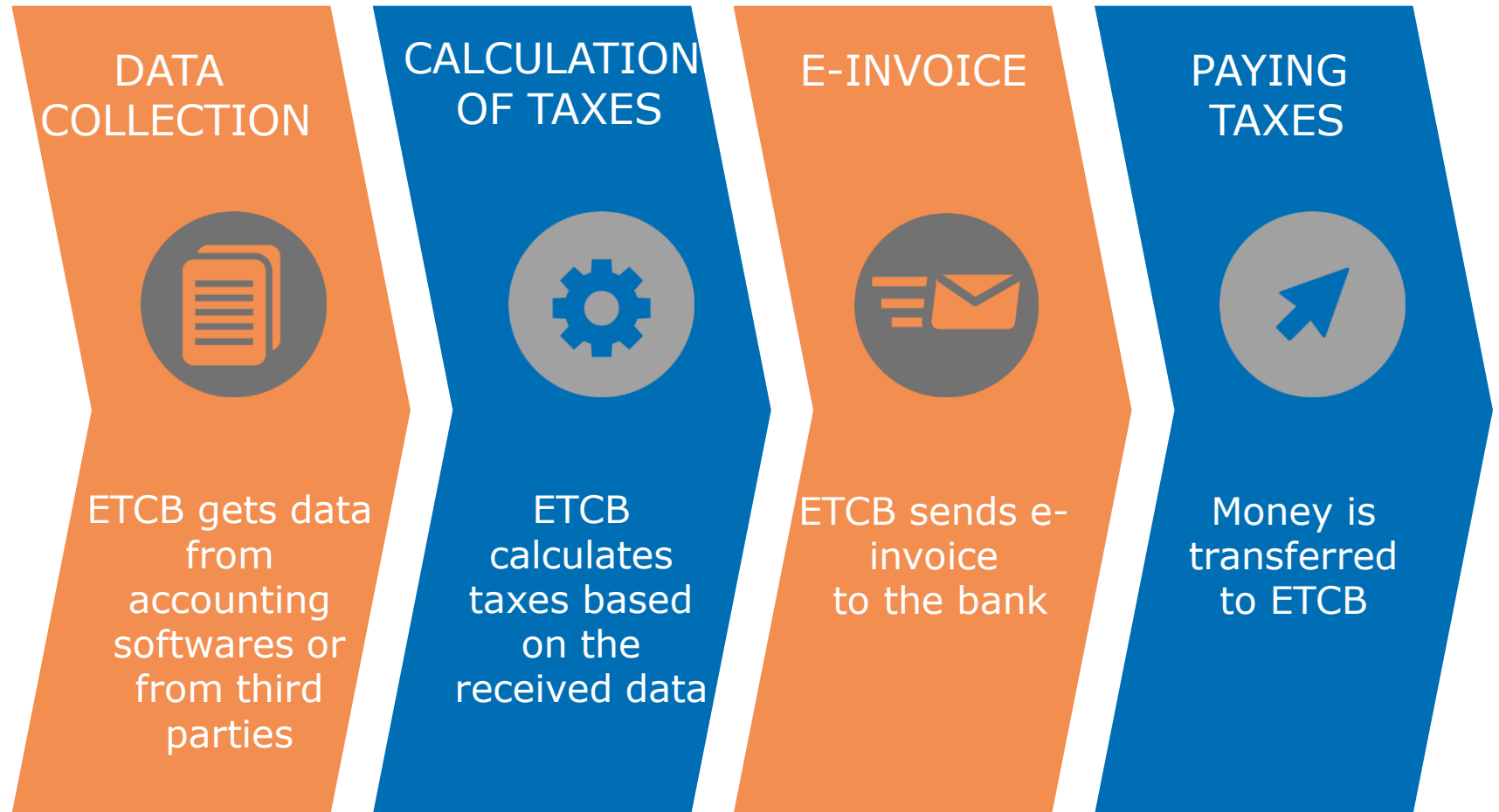
Rivo Reitmann
Deputy Director General

Tax returns or data exchange?

How to reduce administrative burden?

We need data, not tax returns

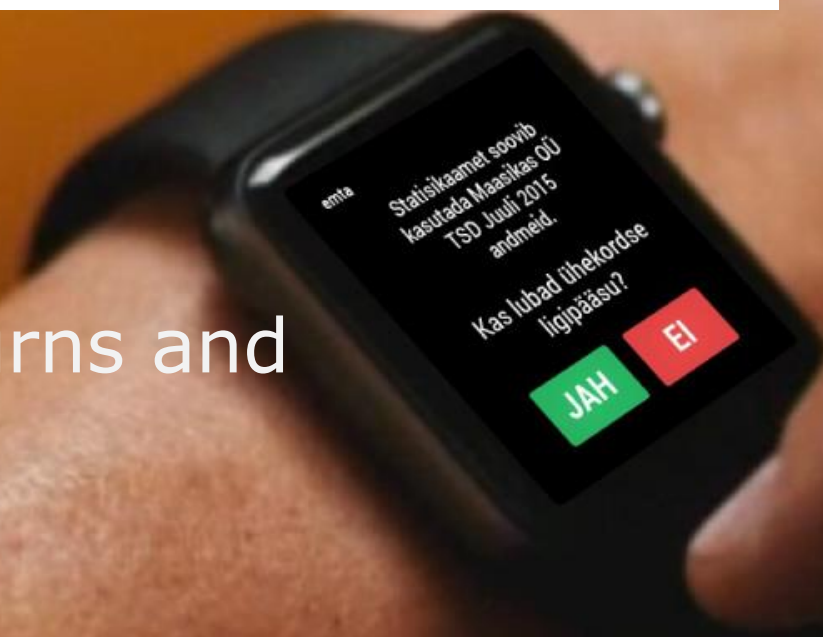
Data automatically from the systems companies already use



Reporting 3.0

Taxpayers will run their business and should not worry about:

- tax rules
- preparing tax returns and calculating taxes
- filing tax returns



Collaboration with banks

LHV PANK
FINANTSPOORTAAL
INVESTORILE

KLIENDITUGI ET EN RU

MINU RAHA >

Kiirviited Vihmavarju Korporatsioon Välju

IGAPÄEVAPANGANDUS 59

Varad ja kohustused
Väljavõte
Maksed 53
Püsikorraidused
E-arved 6
Pangakaardid
Valuutavahetus
Pangalink
Pakkumised
Pangasuhtlus
Palgasaajad

RAHA KASVATAMINE
PENSION
RAAMATUPIDAMINE
INFO JA SEADED
VIRTUAALKONTO

Maksed

Uus makse Määratud maksed Maksete import Ootel maksed 53

Maksetüüp: **Palgamakse**

Kontolt: Isikliik • EE587700771000123...

Saaja nimi: Silver Kullassepp

Saaja konto nr: EE477700771000716924

Makse alus: Palk

Tööaja määr: 100 %

Kirjeldus, s.h. saaja isikukood: Töötasu september, 37809090287


Netosumma: 1000 EUR

☒ Arvesta tulumaksuvaba miinimumi

Riigimaksud: 584.80 EUR

☒ Maksa riigimaksud kohe

Edasi



Vabu vahendeid
1000.00 EUR
Käesolev maks
0%

LHV PANK
FINANTSPOORTAAL
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Palgamakse 1 > 2 > ✓

 **Palgamakse tehtud**

Riigimaksud summas 459,56 EUR on edastatud Maksu- ja Tolliametile.

Salvesta palgasaajate hulka

[Uus palgamakse](#)

Pangateenused
Arveldused
Mobilipank
Transferwise (EN)
Transferwise
LHV klient

Investeeringud
Investeeringud
Kauplemine
Kogumine
LHV fondid
Investeeringukonto

Finantseerimine
Ärilaen
Mikrolaen
Liising
Laenud
Arvelduskrediit

Pension
Fondid
Leia sobiv fond
Pensioni kasutamine
Uudised ja nõuanded
Fondide

Investorile
Aksia
Kauplemisinfo
Üldkoosolekud

Ettevõttest
KKK
Karjäär

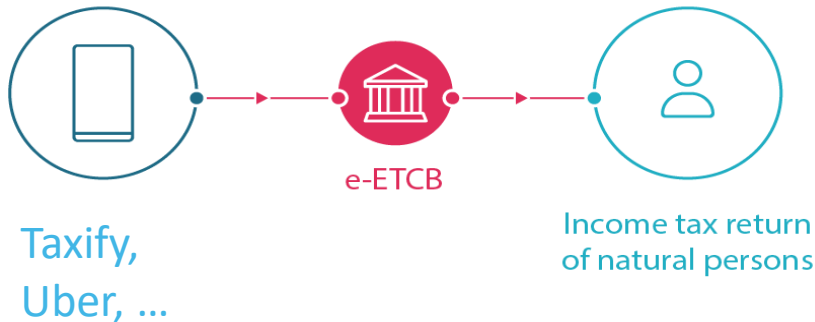


REPUBLIC OF ESTONIA
TAX AND CUSTOMS BOARD

Sharing Economy

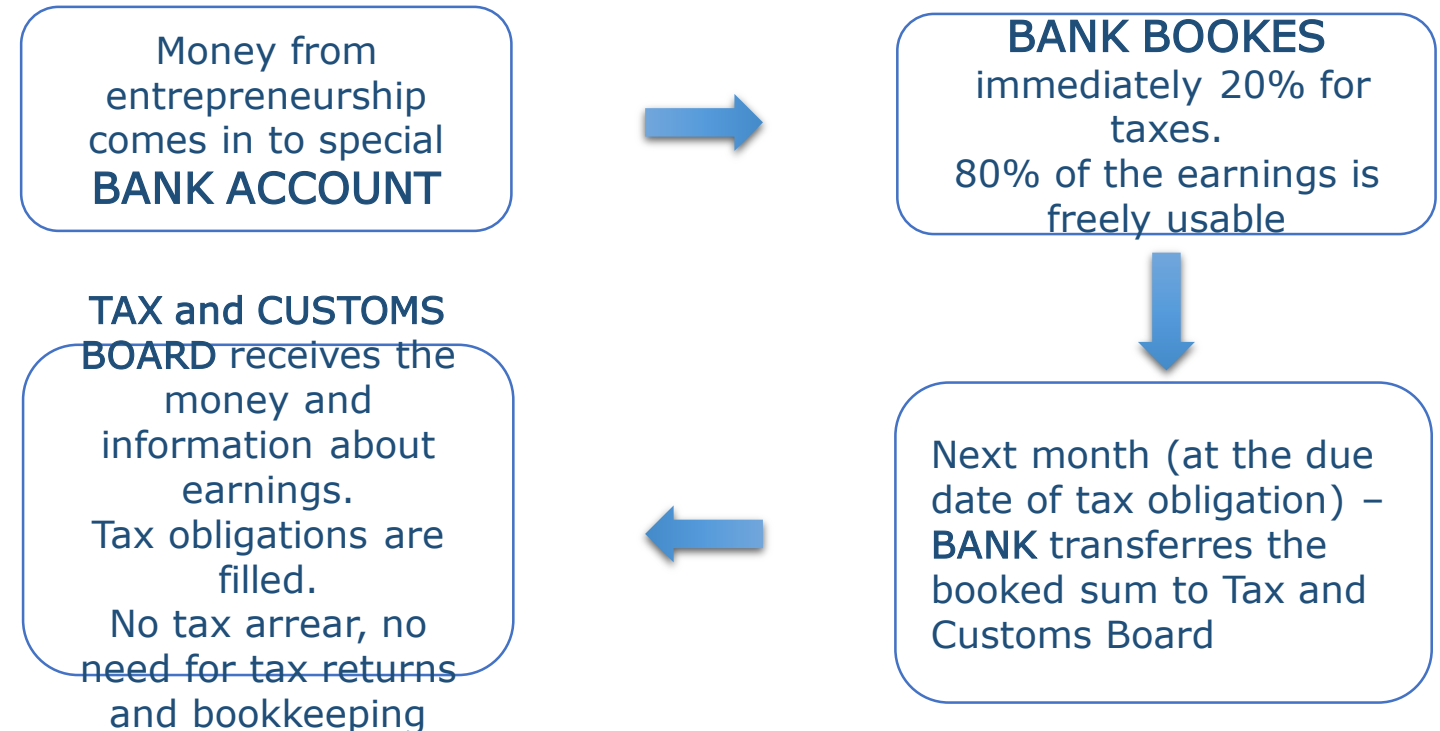
Today

Pre-filling Income Tax Returns
with Information Gathered from
SE platforms

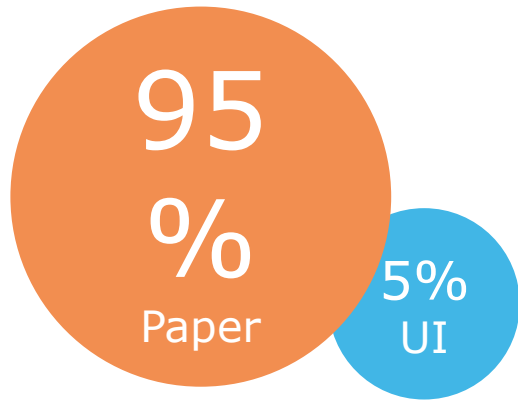


Future

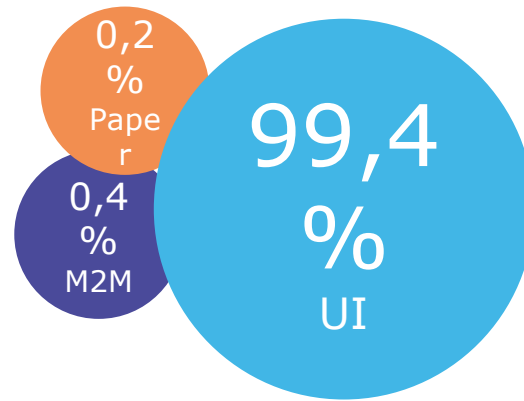
Special account for private persons
who are dealing with
entrepreneurship



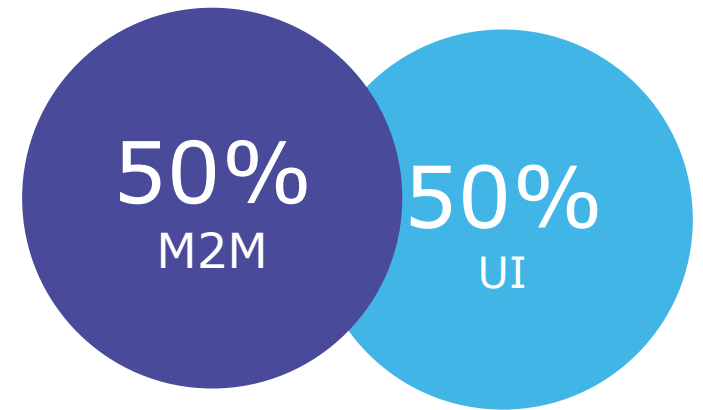
Trend of submitting tax returns (data)



2000



Present



Near future

Overview of the tax environment and tax data to business operators

RISK ASSESSMENT



TAX MORALITY

BACKGROUND INFORMATION

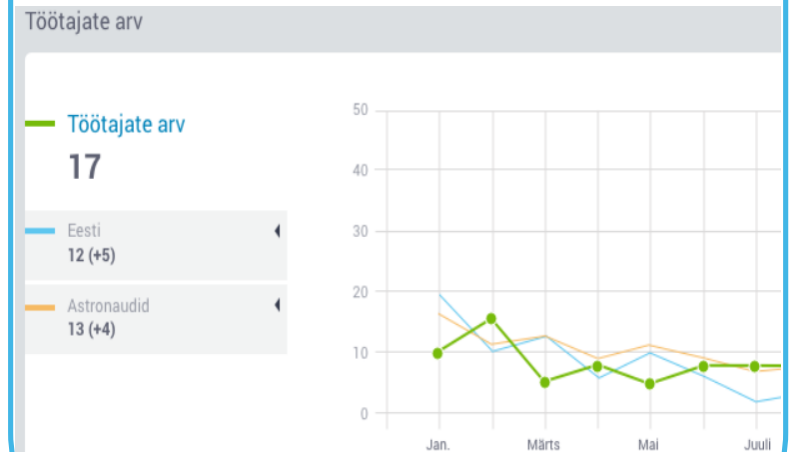
Public data and information published to the extent permitted by a transaction partner



SUPPORT

STATISTICS

Including comparisons with other companies

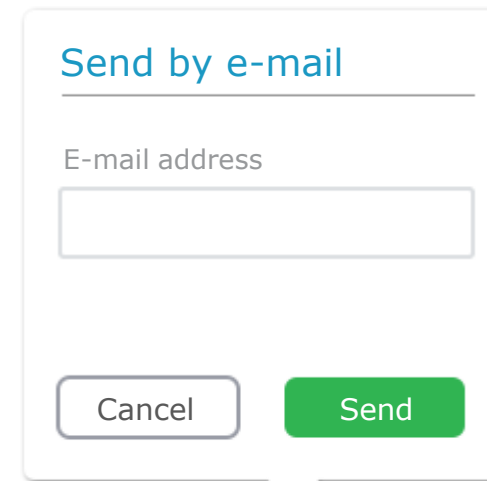
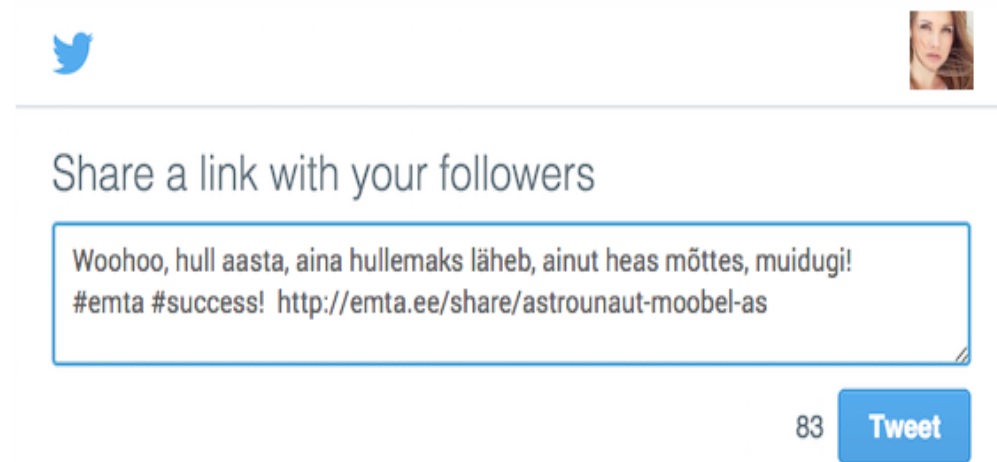
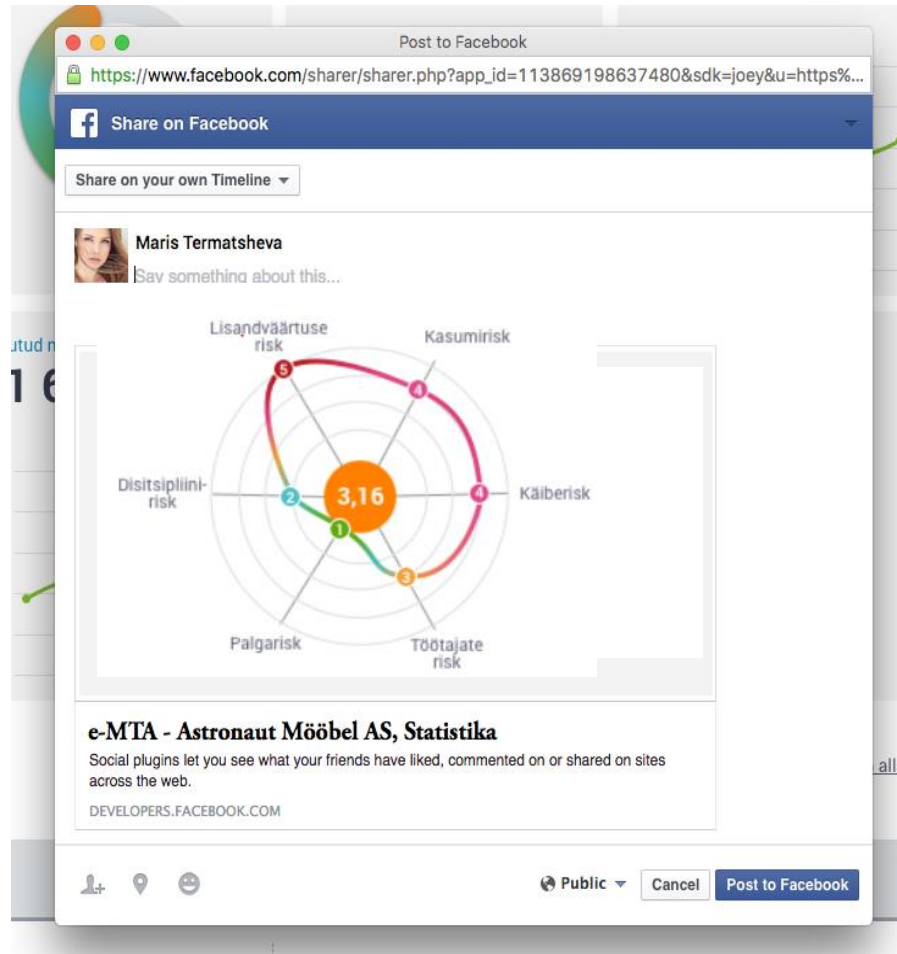


TAX BASE



REPUBLIC OF ESTONIA
TAX AND CUSTOMS BOARD

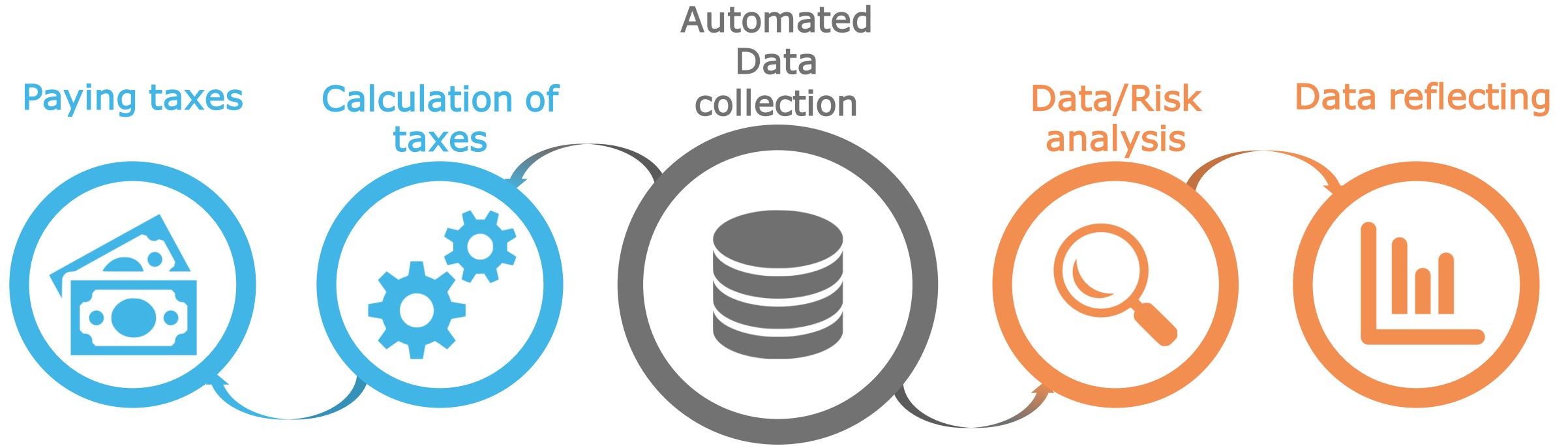
Taxpayers could share information



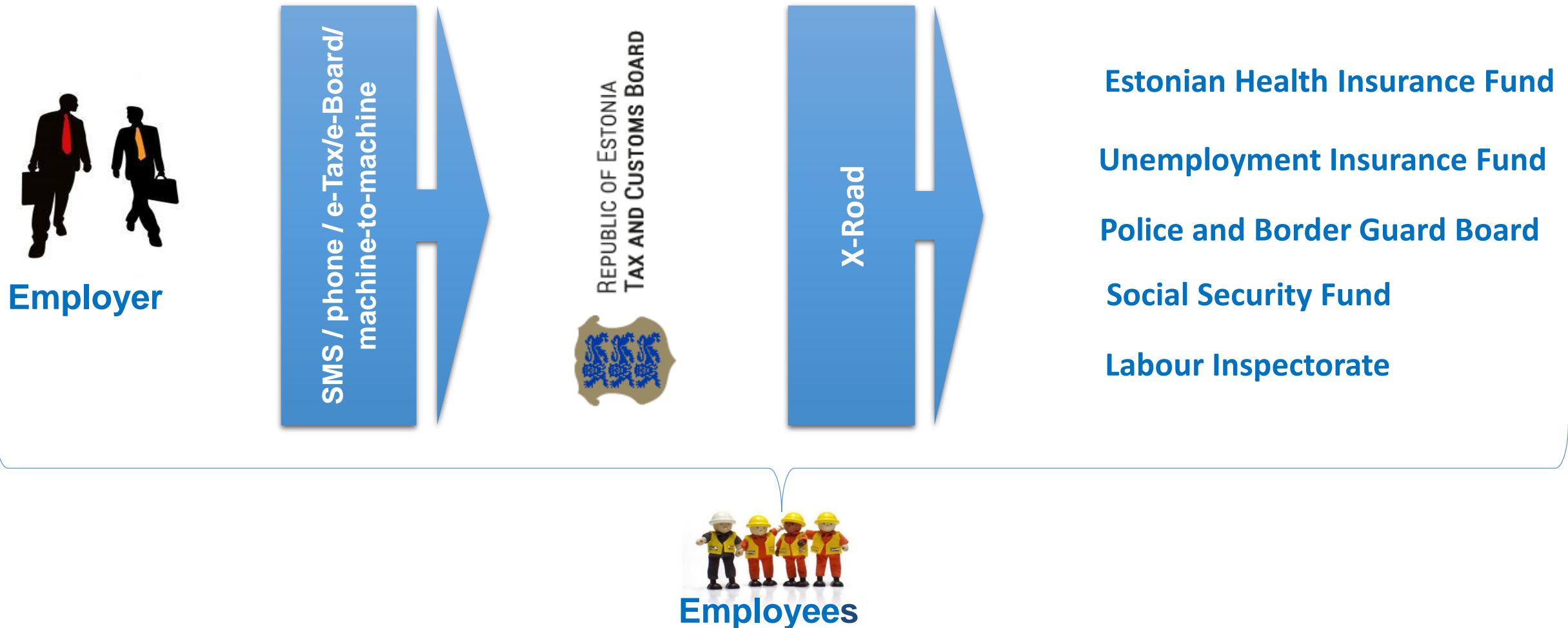
REPUBLIC OF ESTONIA
TAX AND CUSTOMS BOARD



Tax collection



Using X-Road in the project of Employment Register (six to one service)



More than 21 000 workers got official income for the first time

That is 3000 persons more than inhabitants in Viljandi, the fifth largest town in Estonia



Thank You!



REPUBLIC OF ESTONIA
TAX AND CUSTOMS BOARD

TAX TAPAS: TECHNOLOGY FOR THE BENEFIT OF TAX SYSTEMS

Rivo Reitmann

EMTA/ETCB – Estonian Tax and Customs
Board, Deputy-Director General

Martin Villig

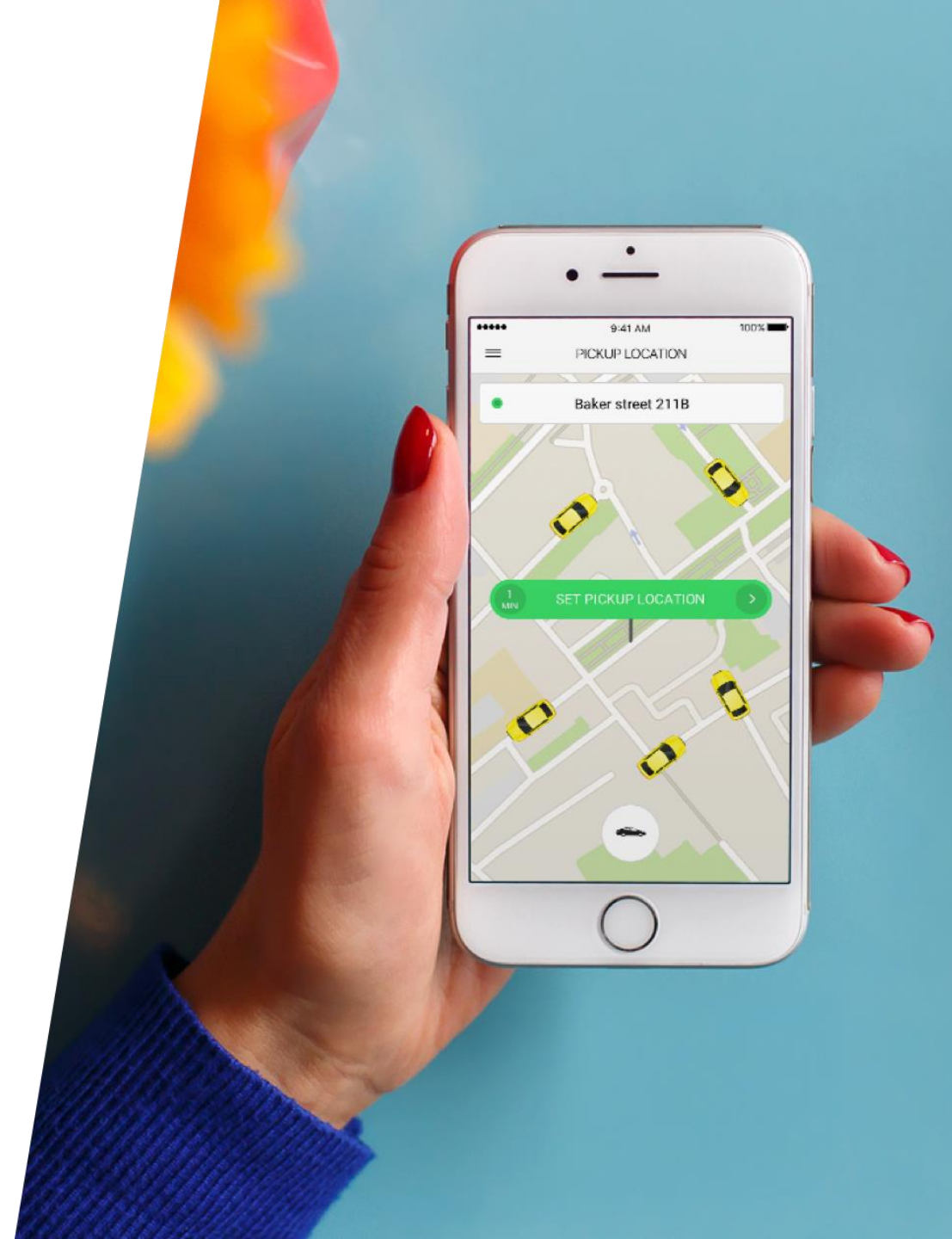
Taxify, Co-Founder

Eelco van der Enden

Accountancy Europe, Chair of Tax Policy Group



Best Way to Move in 18 Countries



Fastest growing European ride-hailing startup

- Millions of riders in **18 Countries**
- **7x Growth** Last 12 Months
- Hiring 150 people in 2017
- **Profitable** with only €2M funding
- Paying VAT & payroll taxes locally



Taxify educates drivers

- Recommend to **pay taxes**
- Choose **optimal tax setup**:
Private Person (Income Tax)
Company (Cost reduction)
- Driver portal for income overview
- Simple: **1-click tax declaration**



Estonian tax collection

- **Hassle free 1-click declaration**
2016: 89 drivers = pilot
2017: 319 drivers = **5x growth**
- Taxify, Uber and other platforms
- People like simple solutions
- **Change of mindset**



Platforms create transparency

- **Taxis** in (Eastern) Europe have taken mostly cash = **gray economy**
- Taxify **card payments** from 9% > 45% in 3 years, base for tax collection
- **Rating every ride** improves driver's responsibility & service quality



Tax collection model?

- **Estonia**
Help people pay taxes, not harass
“Private Banking” for **TOP100** Co’s
- **Eastern-Europe**
Controlling every 5 Euro receipt
Low efficiency & corruption
- **Netherlands:** flexible VAT terms



EU taxi regulation

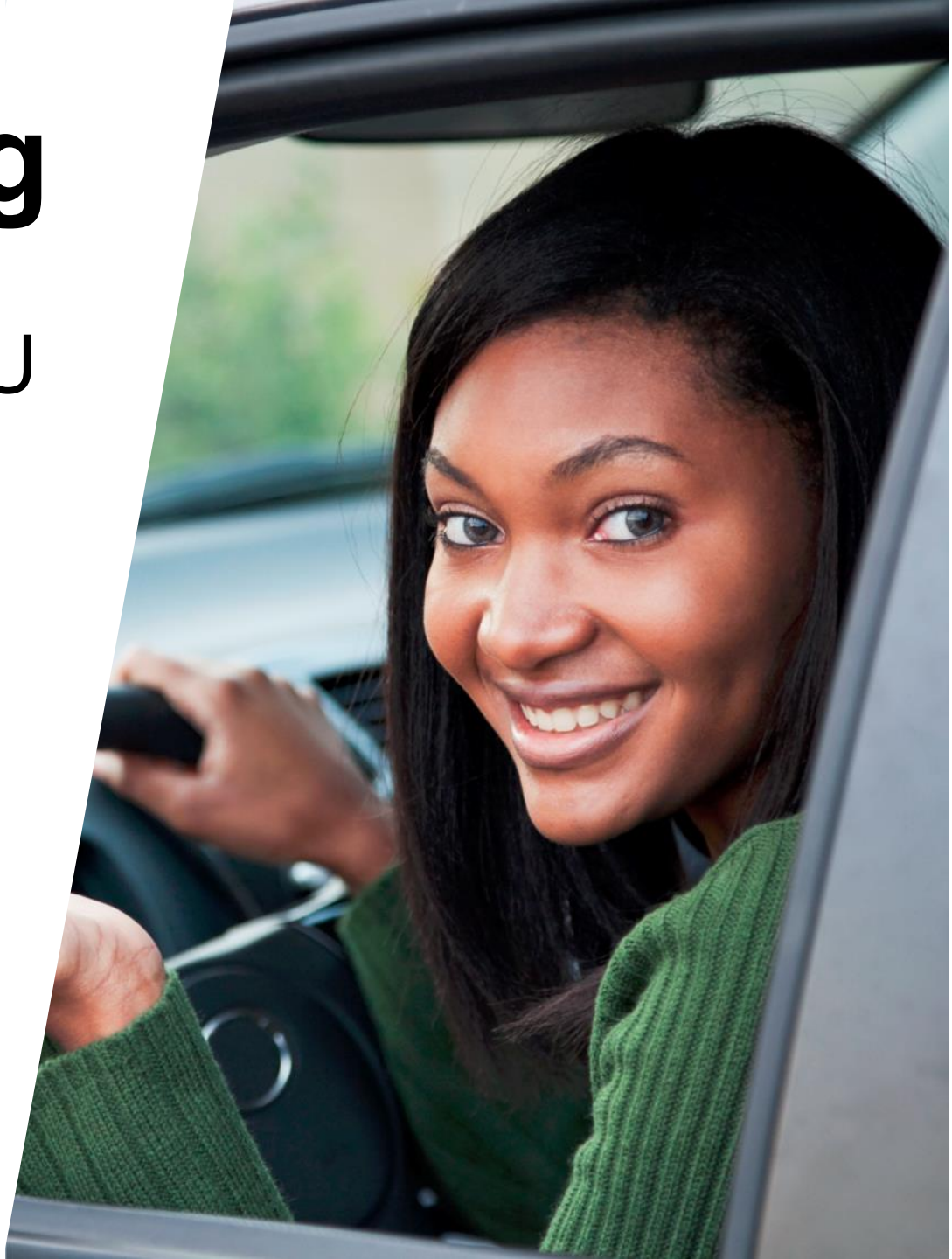
- Baltics **legalizing ride-sharing** to create open market competition
- Old Europe & Nordics are **over-regulated & taxi lobby**
- Uber becomes **monopoly?**



Legalize ride-sharing

- Millions* of immigrants in EU
- No jobs / big **social support costs** for governments
- Immigrants could **earn living** and start **paying taxes**
- People get **affordable rides**

* 2.6M immigrants came to Europe in 2014-2016



Thank you! Questions?



Martin Villig

Co-Founder

martin@taxify.eu

Twitter @waldec

*“Fastest growing Baltic
and European startup”*



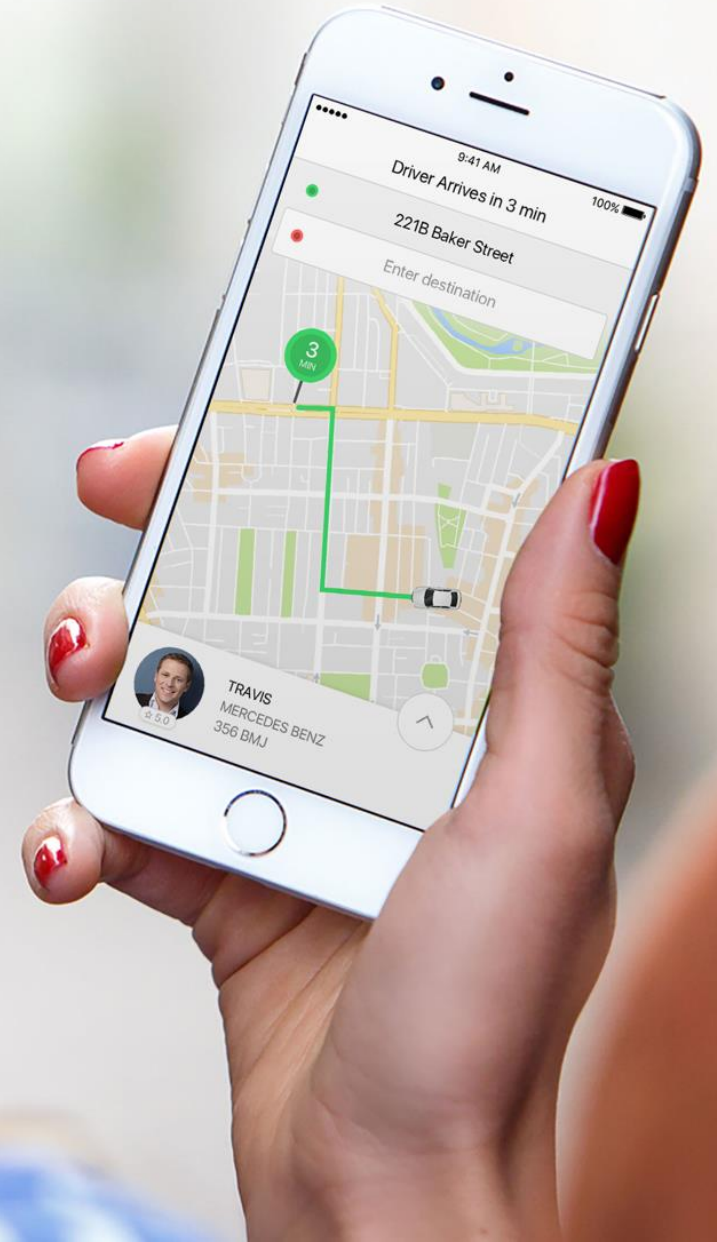
Bloomberg

Forbes



Ride-sharing

- Most drivers have paid job
- Flexible job opportunities
- Simple & affordable rides
- Competition between multiple platforms



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THE FUTURE OF THE ACCOUNTANT IN TAX TOWARDS TAX ASSURANCE?

Eelco van der Enden

Accountancy Europe Chair of Tax Policy
Group

WE REPRESENT ACCOUNTANTS, AUDITORS & ADVISORS.

Accountancy Europe is the new name of the
Federation of the European Accountants

Drivers of 'Reset Tax'

Society & Transparency

- Public accountability
- Political limbo
- Public distress on system
- AML / Terrorist Financing
- Corruption

Technological Advancement

- Digital economy
- Big Data Analytics
- Digital by Default
- AI / Blockchain

Overregulation and Complexity of Tax Systems

- New regulations
- Technical answers to public discontent
- Increased compliance burden

Economic Challenges

- Crisis / Debt
- Inequality / Concentration
- Budget / Services Constraints
- Monetary / Negative Rates

- A recent study* estimated a 95% likelihood that **jobs in the accounting and audit field will be computerised** (replaced by AI).
- The implications are that creating an environment where **data can be leveraged for applied decision-making** will become the norm and that the tax function is ready for transformation.

* Frey, C.B and Osborne, M.a. (2013), *The Future of Employment: How susceptible are jobs to computerization?*
Oxford University

Common challenges for Tax Administrations

‘War on talent’

Lack of a sustainable
technological
infrastructure

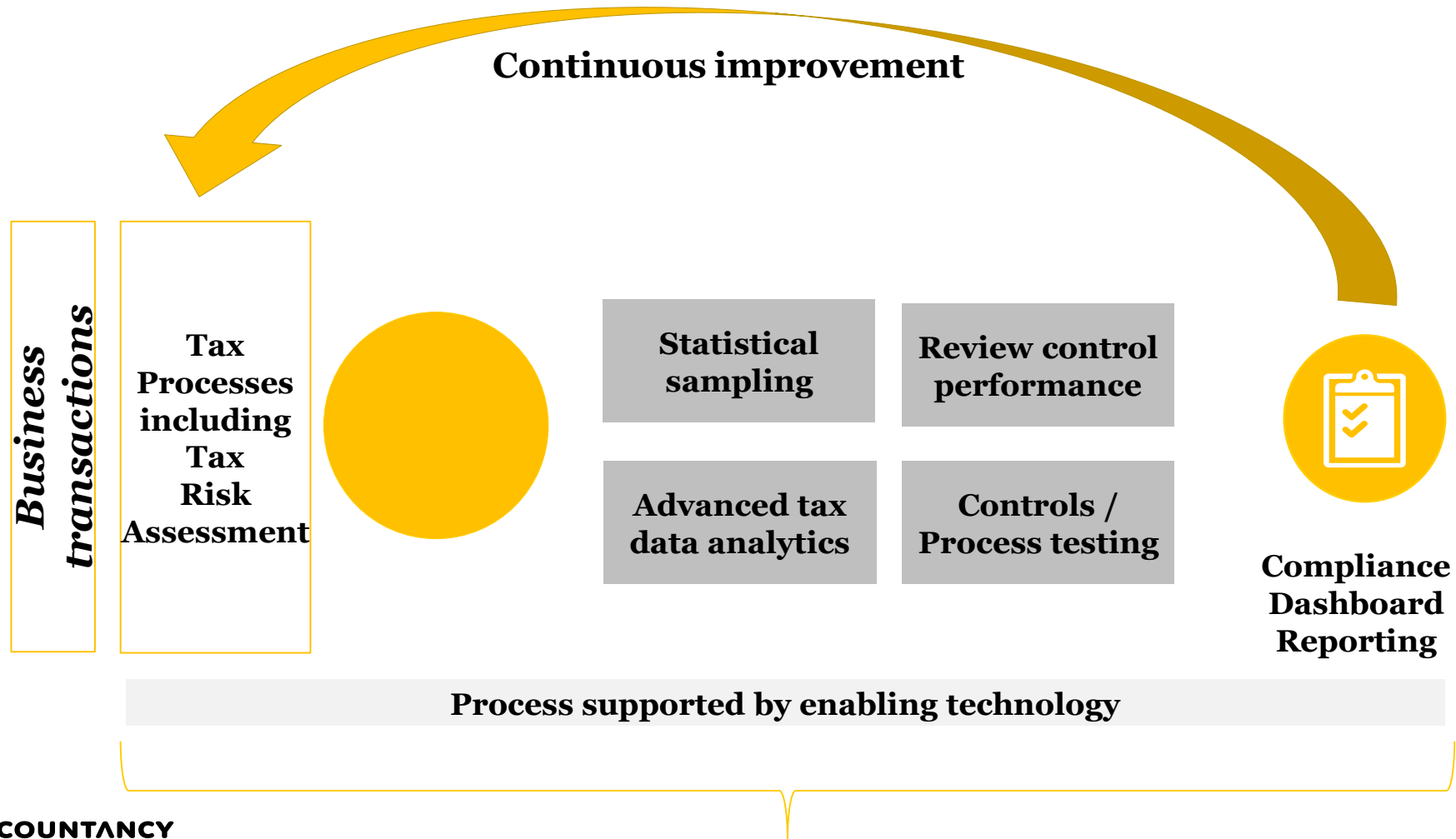
Pressure to do
more with less

‘Aged’ staff, finding/educating staff ‘fit for the future’, knowledge transfer in tax technology, data analytics, auditing and other areas Issues with change management, etc.

Legacy issues: various levels of technology maturity across the world, issues with technology investments, need for a proper strategy, etc.

Budget deficits, lack of resources, increased taxpayer data and need for its proper management, etc.

Risk assessed approach: the world of 'co-operative compliance'

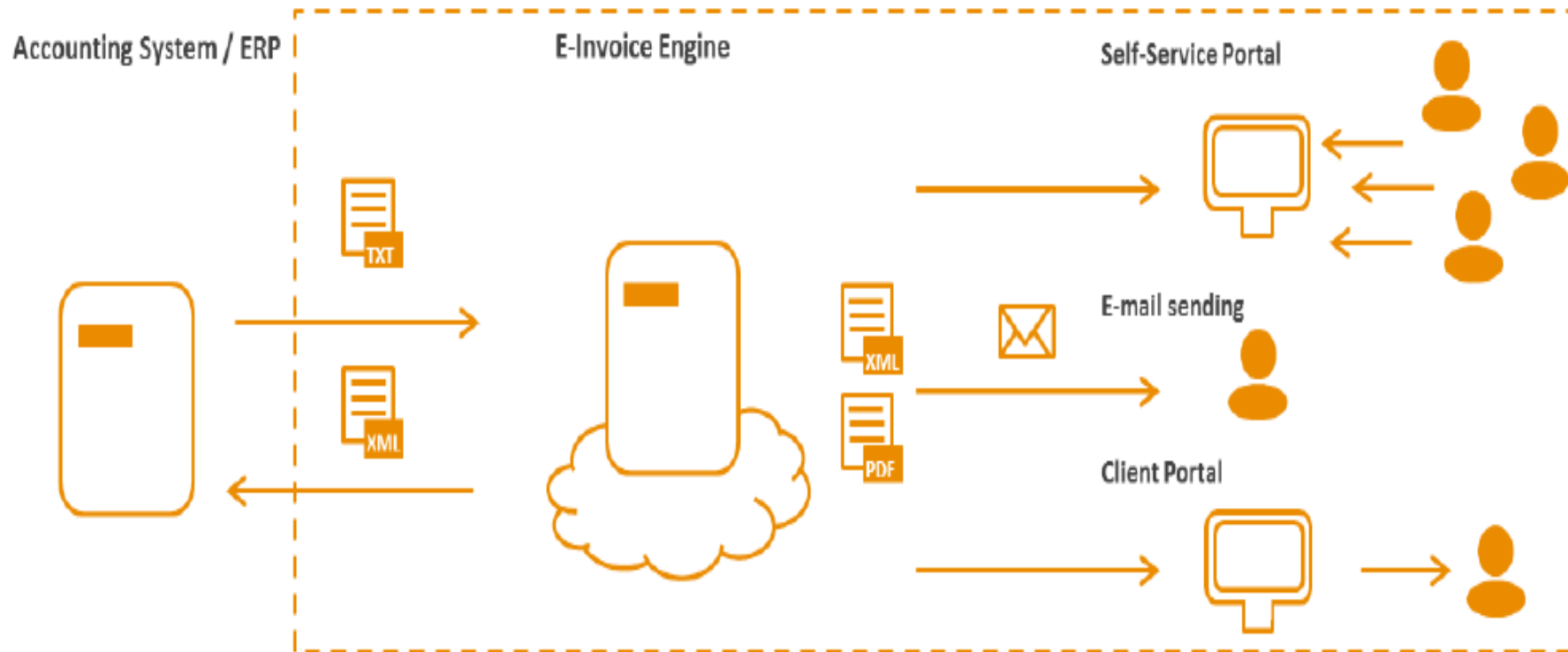


Mexico

Authorised providers of digital tax receipts (PAC)

CFDI Issuing

Digital Tax Solutions



Thank you!

Eelco van der Enden

Chair Tax policy Group

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LUNCH

12:45 – 13:45



ACCOUNTANCY
EUROPE.

TAX TAPAS: HOW TO TAX THE FUTURE?

Prof. Marie Lamensch

Vrije Universiteit Brussel, Research Professor in
Tax Law

Femke Groothuis

The Ex'tax Project, Founder and President

Paul Tang

Member of the European Parliament

Delphine Siquier Delot

Institut Friedland, Tax Analyst

VAT and E-commerce: A Critical Assessment of the Current Commission Proposal

Prof. Dr Marie Lamensch

Institute for European Studies at the Free University of Brussels

Accountancy Europe

Tax Day 2017

New “e-commerce VAT proposal”

1. Adjustments of existing rules on electronically supplied services – no improvement on major issues
2. New rules for:
 - 2.1. B2C intra-EU supplies of goods – positive development
 - 2.2. Imports – potential disaster

1. Electronically supplied services (*adjustments*)

- MOSS since 2003 for non-EU
- MOSS for both EU and non EU since 2015
- Complex **identification and location rules** – Proposal to simplify for small EU businesses (good for businesses but not so good for tax administrations)
- Number of **non-EU registration a major problem**
 - Lack of enforcement jurisdiction!
 - Nothing to address this issue in the current proposal!

➤ 2.1. Intra-EU supply of goods (distance sales)

- *Current rules:*

- Taxation at origin below threshold
- Taxation at destination above threshold (registration in each state of consumption)

- *Proposal: MOSS*

- Easier for businesses
- Mutual assistance between the MS should facilitate enforcement

➤ 2.2. Imports

- *Current rules:*

- Customs procedure
- EUR 22 threshold
- Major increase of “low value goods”
- Major frauds (undervaluations)

- *Proposal:*

- MOSS (optional) or assessment and collection by transporter

Major shortcomings ...

- No enforcement jurisdiction on offshore businesses
- Transport sector not able to handle volume of parcels and verify information provided by offshore businesses
- Not addressing at all the issue of undervaluation!
- Creating new costs for businesses and transport sector and opening the door to massive revenue losses!

What should we do?

- New collection model! Vendor collection fit for purpose in the 20th century economy but not in the 21st century economy!
- Makes little sense to expect from offshore vendors that they voluntarily comply!
- My take on this?
 - A disruptive technology enabled customer collection model
 - Reconciling “right to tax” and “means to enforce tax collection”
 - **PAYS** and **iVAT** projects: “geo-fenced tax jurisdictions”

Connectivity is fueling
growth & economies
but it is also
disrupting
conventional business
models.



Only **new thinking** &
solutions that **challenge**
status quo will outpace 21st
century challenges.

What is **tax** geo-fencing?

Creating a boundary, physical or virtual, around global economies in order to mitigate tax revenue leakage due to cross-border trade.

Technology based solutions that enable governments to trigger collection of VAT/GST, when a product/payment enters or leaves a particular economy.



Tax Jurisdiction A

VAT collection is triggered when a product enters a geo-fenced jurisdiction and/or when a payment is made from a geo-fenced jurisdiction to an offshore jurisdiction

Tax Jurisdiction B

Contact me if you want to hear more about the
PAYS and the **iVAT** projects!

Thank you for your attention!

marie.lamensch@vub.be

TAX TAPAS: HOW TO TAX THE FUTURE?

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Institut Friedland, Tax Analyst

COFFEE BREAK

14:45 – 15:00



KEYNOTE ADDRESS

Pierre Moscovici

European Commission, Commissioner for
Economic and Financial Affairs, Taxation
and Customs

THE ELEPHANT IN THE ROOM: TAX REFORM IN THE US

Harold Hancock

McGuireWoods, Partner

Mark Peterson

AICPA, Executive Vice President – Advocacy

Howard Liebman

Jones Day, Senior Partner and American
Chamber of Commerce Belgium, President



Tax Reform in the United States: The Government Agencies, Process, and Path Forward

McGUIREWOODS

www.mcguirewoods.com

Government Agencies: The People and The Institutions

1. Trump Administration

- President Trump - Personal Involvement
- Treasury
 - Steven Mnuchin (Secretary)
 - Staff and Resources
 - Will focus on policy development and political goals
- National Economic Council
 - Gary Cohn (Director)
 - Limited Staff
 - Will focus on policy development and political goals



Government Agencies: The People and The Institutions (Continued)

2. House of Representatives

- Speaker Paul Ryan (R-WI)
 - Limited Staff
- House Ways and Means Committee
 - Kevin Brady (R-TX) – Chairman
 - Richie Neal (D-MA) – Ranking Member
 - Tax Staff – Approximately 7 Republicans and 5 Democrats



Government Agencies: The People and The Institutions (Continued)

3. Senate

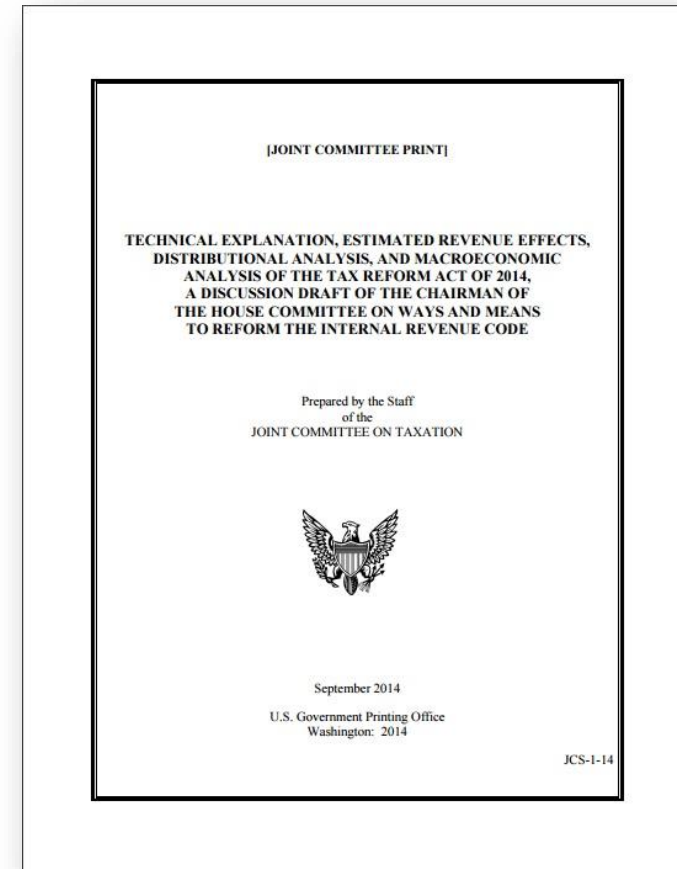
- Speaker Mitch McConnell (R-KY)
 - Limited Staff
- Senate Finance Committee
 - Orrin Hatch (R-UT) – Chairman
 - Ron Wyden (D-OR) – Ranking Member
 - Tax Staff – Approximately 6-7 Republicans and 6-7 Democrats
- Other Senators that are members of the Committee



Government Agencies: The People and The Institutions (Continued)

4. Joint Committee on Taxation

- Tax Lawyers and Accountants
- Non-Partisan
- Advises House and Senate on Tax Policy
- Larger staff than Committees; very small compared to Treasury



Government Agencies: The People and The Institutions (Continued)

5. Stakeholders (a short list)

- Businesses (Multinational and small; corporations and pass-throughs)
- Special Industries (Real Estate, Energy, etc.)
- Tax-Exempt Organizations (Charities and Universities)
- Individual Taxpayers
- Tax Professionals (Accountants, Tax Lawyers)

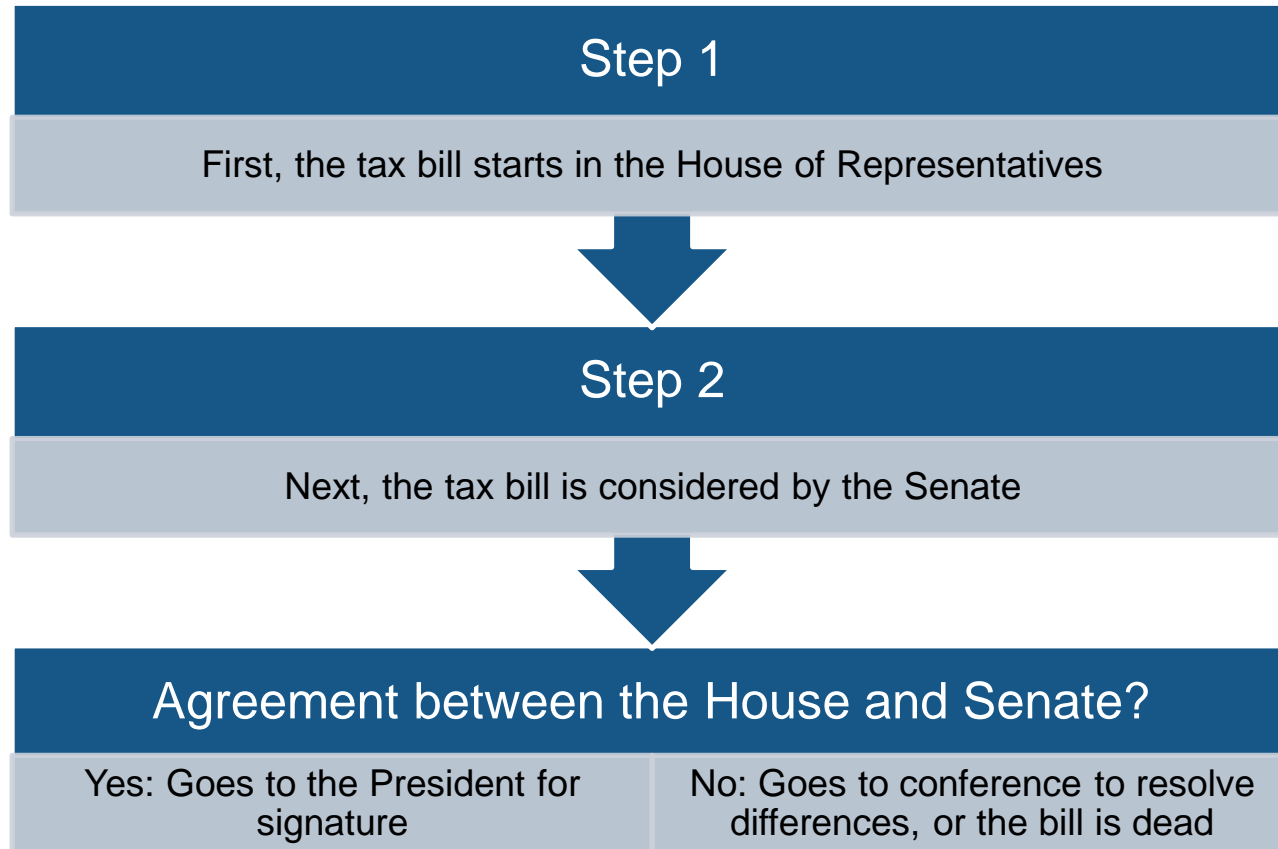


Government Agencies: The People and The Institutions (Continued)

- All these people must work together to create a tax reform bill that enough politicians and stakeholders will support
- Very difficult
- Can be done!!!

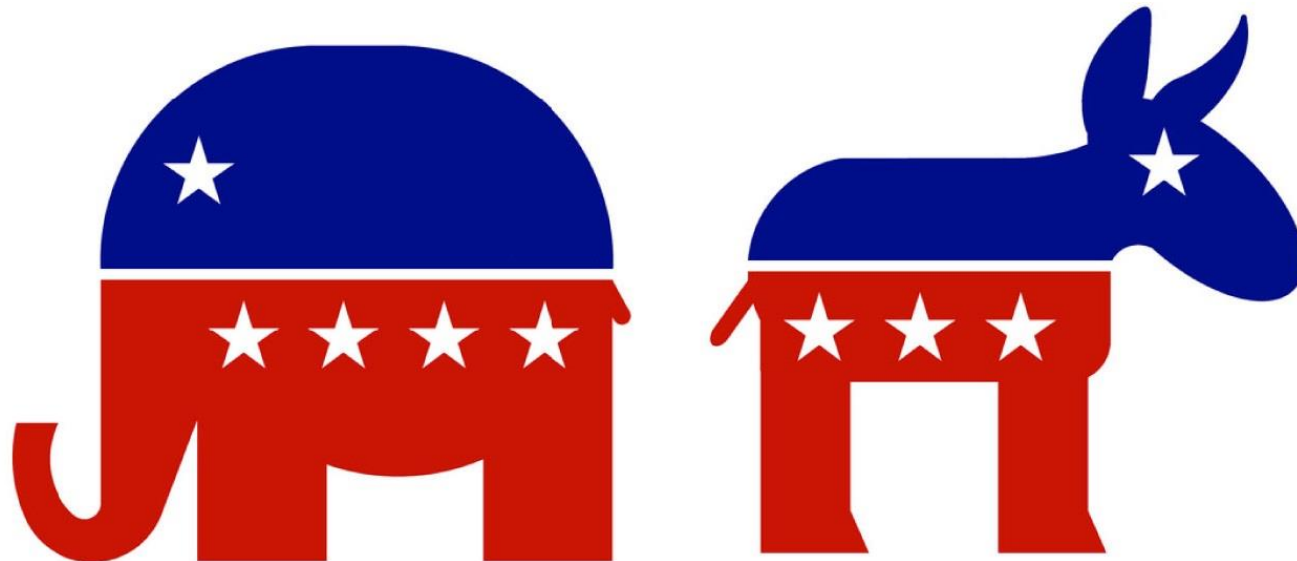


Tax Reform: The Process



Tax Reform: The Path Forward

- (A) Best case scenario: Bi-partisan, Democrats and Republicans agree
- Not very likely (right now)



Tax Reform: The Path Forward

(B) Other option: Reconciliation, Republican votes only

- “Reconciliation” special rule used once per budget agreement
- Allows a budget related measure to pass with 51 votes in the Senate
- Republicans currently have a 52:48 advantage
- Must satisfy special rules – does not increase deficit after ten years
- Very difficult, often leads to temporary policy (e.g., 2001 Bush tax cuts)



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WHAT DOES U.S. TAX REFORM MEAN FOR GLOBAL BUSINESS TAXATION

Howard M. Liebman
Partner, Jones Day, Brussels, Belgium
President, American Chamber of Commerce in Belgium

Accountancy Europe
Tax Day: Embracing Change!
May 30, 2017

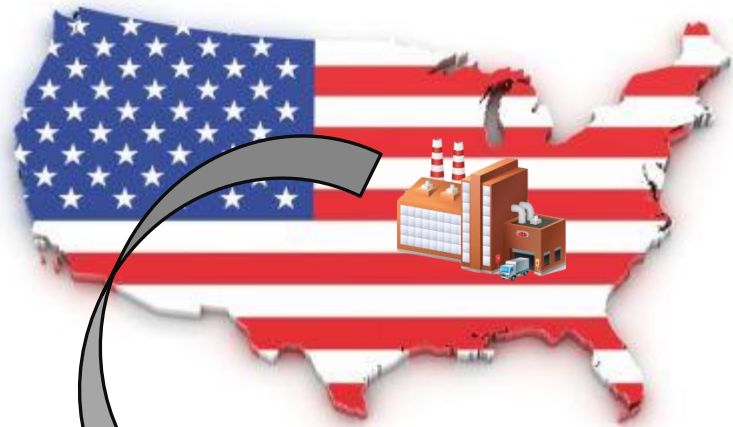
A. The Current State of International Taxation: The Playing Field

- Increasing importance of IP in MNEs' valuations
- Less relevance between production and sales locations
- Less and less clear where value creation takes place
- Result: Source and residence-based tax systems failing to keep up

B. Particular Problems for U.S. Companies

- Higher corporate income tax rates in general
- Worldwide tax on dividends from foreign subsidiaries
- High statutory corporate tax rate (35%) encourages offshore IP and manufacturing
- Complex tax code

American Exports Taxed More Than Imports



**35% U.S. Income Tax, and
European VAT**



**Lower European Income Tax, and
No VAT**



Uneven Playing Field



C. House Blueprint (“A Better Way”): A Broad Summary

- Lower corporate income tax rates: 20% for corporations; 25% for pass-through businesses
- Repeal worldwide tax on dividends from foreign subsidiaries
- Disincentivize offshoring by changing to destination-based cash flow tax
- Shorten tax code by broadening base, and treating debt similar to equity

Business Tax Proposals: Trump Administration vs. House Blueprint



Tax Provision	Trump	House Blueprint
Top corporate rate (now 35%)	15%, no AMT	20%, no AMT
Top pass-through rate (now 39.6%)	15% on retained profits? (reduce top rate to 35%)	25%
One-time repatriation tax	10%?	8.75% for cash; 3.5% for other; payable over 8 years
Tax on future foreign earnings	Territorial tax system	Territorial system; 100% exemption for foreign dividends; DBCFT
Capital investments; interest deduction allowance	100% first-year write off for manufacturers, <u>or</u> net interest expense allowed; alternatively "reasonable cap" on interest deductions	100% first-year write off, <u>no</u> net interest expense allowed
Base broadening	Eliminate deductions and credits for "special interests"	Same, but specifically retain R&D tax incentives
NOL carryforward, increased by interest factor at inflation	Silent	Indefinite

House Blueprint: Territorial vs. Worldwide

- The tax would be territorial, which means that it would apply only to income from domestic activities
 - Accumulated foreign earnings at the time of the tax, however, would be subject to a one-time tax of 8.75% for cash holdings and 3.5% for other assets, without regard to whether they are repatriated. This transition tax would be payable over an eight-year period
- Income earned in other countries is not taxed to U.S. corporations. Because sales in other countries and income earned in other countries are not taxed, most tax rules governing outbound transactions would be repealed.
 - Eliminates Subpart F (except FPHCI)
 - 100% inbound dividend exemption

Summary of DBCFT

- Cash-flow tax
 - Replace depreciation and amortization deductions with expensing
 - Eliminate net interest expense deductions
- Destination basis (i.e., border adjustments)
 - Foreign-source income excluded from tax base (i.e., territorial system)
 - Export revenue and import costs removed from tax base

House Blueprint – Destination Based Tax

- Exports will not be taxed and imports will be subject to tax
 - U.S. company that sells a good in a foreign country would not include the proceeds in its tax base
 - U.S. company that imports a good would not be able to deduct the cost of the good when it is sold in the United States
- Net exporting firms would get a rebate of tax paid on a good when it is exported and imported goods would face a tax at the corporate rate on its full value, not just the value added in the United States
 - Domestic inputs (e.g., wages and salaries) remain deductible
 - Net exporters generate tax losses

It looks like a VAT, it smells like a Vat, is it a VAT?

- In essence a VAT, **BUT** labor costs are deductible
- Arguably the same as:
 - A subtraction method VAT +
 - A payroll tax credit at the corporate tax rate

House Proposal – Cash Flow Tax

- Reduces the corporate tax to 20% and small business and pass-through tax to 25%
- Full expensing of capital investment (both tangible and intangible assets but not including land)
- Generally eliminates special-interest deductions and credits – e.g., §199 (no other specific provisions identified)
- Disallows net interest expense deduction, with an indefinite carryforward for disallowed deductions (effect is to treat interest expense like dividends, reducing the disparity between debt and equity)
- Maintains the R&D credit and LIFO inventory accounting
- Domestic producers accelerate deductions

The Destination Based Cash-Flow Tax: Economic Effects in General



- Investment and finance
- Base erosion, profits-shifting and inversions
- Exchange rates
- Trade
- Asset values
- Location of production

Likely Business Impact of House Proposal – Cash-Flow Tax

- Domestic producers
 - Full expensing of capital investment; net interest expenses disallowed
 - Domestic producers accelerate deductions – winners!!
- Exporters
 - Export revenues exempt
 - Domestic inputs remain deductible
 - Tax losses carryforward indefinitely, increased by inflation interest factor
 - Exporters generate tax losses – winners!!
- Importers
 - Foreign inputs are nondeductible
 - Importers pay tax on gross revenues – losers!!

Likely Economic Impact of House Proposal

– Cash Flow Tax (I)

- Expensing
 - Even greater incentive for domestic investment than accelerated depreciation and amortization under current system
- Loss of net interest deduction
 - Tax agnostic between equity and debt investments
 - Deleveraging of U.S. businesses
- Interest Rates
 - All else equal, interest rates reduced due to weaker borrowing demand
 - Likely insufficiently reduced to offset the benefit from the lost interest deduction

Likely Economic Impact on Profit-Shifting and Inversions (II)

- Many economists argue that related-party cross-border transactions will have no impact on the **U.S. tax base**
 - Tax would encourage profit-shifting **to** the United States
- Not all tax professionals agree: U.S. affiliates of MNEs may be incentivized to minimize import costs and maximize export costs
- Loss of interest deductions promotes ex-U.S. borrowing
- System should eliminate incentives for U.S. MNEs to invert as U.S. residency no longer subjects them to U.S. tax on foreign source income
 - May encourage inversions into the United States

Likely Economic Impact on Exchange Rates and Trade (What to Believe?) (III)

- At first blush, one might think that the DBCFT will make prices on U.S. imports increase and global prices of U.S. exports decline
- Most economists believe the DBCFT will lead to U.S. Dollar appreciation offsetting potential increase in U.S. import prices and the decline in global prices of U.S. exports
 - If the U.S. Dollar strengthens as most economists believe, U.S. importers' effective rates will increase but their net, after-tax income would remain unchanged
 - Likewise, U.S. exporters' effective rates will decline but their net, after-tax income would remain unchanged

Will Exchange Rate Adjustments Rescue Importers?

- The border adjustment *seems* to increase exports and decrease imports
- Economists say the U.S. Dollar will appreciate automatically and offset the tax
- U.S. exports will thus be more expensive, and U.S. imports cheaper
- Retailers are not convinced
 - Price may be inelastic if inputs cannot be obtained domestically (bananas)
 - Some inputs are priced in U.S. Dollars (e.g., crude oil and other commodities)
 - Pegged currencies
 - Uncertain how to apply to service and financial industries
 - May drive inefficient mergers of importers and exporters

Exchange Rate Adjustment: Additional Concerns

- Overnight 20% decline in value of foreign-currency denominated assets of U.S. companies
 - Estimates as high as U.S. \$2 trillion decline
- Potential crisis for foreign holders of U.S. Dollar-denominated debt

WTO Compliance Question

- Prohibited export subsidy?
- WTO allows border adjustments with respect to “indirect” taxes, but not “direct” taxes
- The deduction for wages and labor gives the DBCFT an element of a direct income tax

Financial Transactions & the House Proposal

- The House Proposal is not clear in how it will tax financial transactions and financial institutions
- “The Committee on Ways and Means will work to develop special rules with respect to interest expense for financial services companies, such as banks, insurance, and leasing, that will take into account the role of interest income and interest expense in their business models”
 - The DBCFT deviates from traditional VAT systems because it will likely tax financial transactions in some form; traditional VAT systems do not
 - E.g., the purchase of a bond and the gain or interest derived therefrom

Financial Transactions & the House Proposal (Cont'd)

- Financial transactions will likely continue to be treated as they are under current law
 - that is, financial investments would give rise to tax basis rather than current deductions, and no border adjustments would apply
- The government will need to carefully draw and enforce the line between business transactions (subject to a DBCFT) and financial transactions (subject to a regular income tax)
- Financial institutions could be taxed on their net financial inflows from non-taxable entities, less all real costs incurred
 - Tax rebate of losses would need to be paid to financial institutions (not politically viable)

Latest Developments

- April 21: Trump signed an Executive Order requiring immediate review of “all significant tax regulations” published since the beginning of 2016, with the stated goal of lessening the burden of regulations on taxpayers.
- April 26: The Trump Administration summarized the President's ideas for tax reform in a one-page proposal (attached). The document lists high-level, campaign-style concepts rather than legislative text or specific details. No CBO scoring is available (or possible, given the high-level nature of the proposals). The Border Adjustment Tax was omitted.
- May 4: The House passed a health care bill that is expected to dominate the Senate and reconciliation (legislative) process for the coming months, possibly pushing passage of any major tax reform into 2018.

Latest Developments

- May 18: First Congressional Hearing on Tax Reform (House Ways & Means Committee).
- Reality check: Due to the recent controversies, much of the White House's and Republican Party's attention has -- speaking realistically -- shifted to putting out political fires rather than on legislating. However, various Republican leaders continue to publicly state that they are committed to the goal of passing something in 2017.



2017 Tax Reform for Economic Growth and American Jobs

The Biggest Individual And Business Tax Cut In American History

Goals For Tax Reform

- Grow the economy and create millions of jobs
- Simplify our burdensome tax code
- Provide tax relief to American families—especially middle-income families
- Lower the business tax rate from one of the highest in the world to one of the lowest

Individual Reform

- Tax relief for American families, especially middle-income families:
 - Reducing the 7 tax brackets to 3 tax brackets of 10%, 25% and 35%
 - Doubling the standard deduction
 - Providing tax relief for families with child and dependent care expenses
- Simplification:
 - Eliminate targeted tax breaks that mainly benefit the wealthiest taxpayers
 - Protect the home ownership and charitable gift tax deductions
 - Repeal the Alternative Minimum Tax
 - Repeal the death tax
- Repeal the 3.8% Obamacare tax that hits small businesses and investment income

Business Reform

- 15% business tax rate
- Territorial tax system to level the playing field for American companies
- One-time tax on trillions of dollars held overseas
- Eliminate tax breaks for special interests

Process

- Throughout the month of May, the Trump Administration will hold listening sessions with stakeholders to receive their input and will continue working with the House and Senate to develop the details of a plan that provides massive tax relief, creates jobs, and makes America more competitive—and can pass both chambers.

THE ELEPHANT IN THE ROOM: TAX REFORM IN THE US

Harold Hancock

McGuireWoods, Partner

Mark Peterson

AICPA, Executive Vice President – Advocacy

Howard Liebman

Jones Day, Senior Partner and American
Chamber of Commerce Belgium, President



FIRESIDE CHAT: EMBRACING CHANGE

Pascal Saint-Amans

OECD Centre for Tax Policy and
Administration, Director

Valère Moutarlier

DG TAXUD, European Commission;
Director – Direct Taxation, Economic
Analysis and Evaluation



CLOSING REMARKS

Olivier Boutellis-Taft
Accountancy Europe CEO

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