

# Corporate Tax Reform

## Quick Facts about ExxonMobil's U.S. Taxes Paid

**\$4.7 billion**

2016 U.S. taxes paid including income, sales-based and property

**\$391 million**

2016 U.S. taxes paid monthly

**\$13 million**

2016 U.S. taxes paid daily

**\$44 billion**

ExxonMobil's 5-year U.S. tax expense (2012-2016)

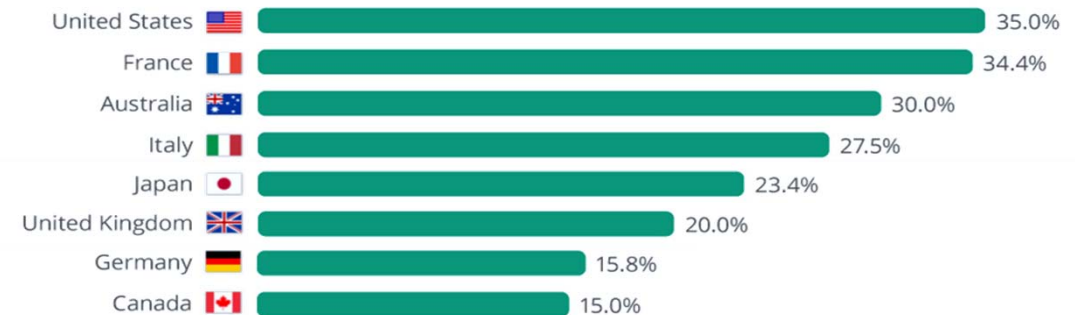
**\$13 billion**

Amount of U.S. taxes paid more than U.S. earnings (2012-2016)

Corporate tax reform in the United States is needed to increase investment from businesses and strengthen the American economy. Adopting stable tax policies that enable the U.S. oil and gas industry to remain competitive in the global marketplace for energy investment clearly benefits the U.S. economy and secures American jobs.

## Global Corporate Tax Rates in Perspective

Basic central government statutory (flat or top marginal) corporate income tax rate in 2016



Source: OECD

## Lowering the Corporate Tax Rate

For some time, the U.S. has maintained the world's highest corporate tax rate and an uncompetitive international tax system. According to a recent study by the Business Roundtable, "Advancing America in the Global Economy," the **U.S. tax rate of 39 percent** (combined federal and state) is much higher than other industrial nations, undermining U.S. multinational companies and weakening the U.S. economy and workforce. The tax rate is **more than 14 percentage points above the developed country average of 24.6 percent**. The long-run impact on the U.S. economy is equivalent to a reduction in GDP of roughly \$235 billion to \$345 billion *each year*.

## Moving Toward a "Territorial" Tax System

ExxonMobil supports moving the U.S. from a system of global taxation to a more competitive territorial system that only taxes the income earned within the U.S. Corporations should be free to return international earnings back to the U.S. without fear of additional "double taxation" by the I.R.S. Companies can compete on a level playing field with other companies in foreign markets when they are able to return global earnings home for reinvestment, without incurring an additional layer of tax.

## Key Attributes of Fair Tax Rules

- **Pro-growth** to encourage domestic investment and job creation;
- **Non-discriminatory** among industries and provide a level playing field for taxpayers engaged in similar activities

# Regulatory Reform

On the whole, the U.S. regulatory process contributes to setting important standards in our society. There is no question that we need regulations to keep our environment clean and our workers, customers, and families safe. But regulations must be based on a demonstrated need, backed by sound data clearly demonstrating that their benefits outweigh their costs, and they must be subject to checks and balances (including by Congress and the courts).

## Quick Facts about U.S. Regulations\*

**\$2 trillion**

Price tag for regulatory burdens in 2012

**\$19,564  
per employee**

Manufacturers' annual cost to comply with federal regulations

**88%**

Manufacturers identified federal regulations as a barrier to their business

*Exxon Mobil supports reform legislation to create smarter regulations that improve transparency, accountability and scientific integrity of the rule-making process.*

## U. S. House taking action to reform the regulatory process

Passed nine bills in the first months of the 115<sup>th</sup> Congress aimed at reforming the current regulatory process, highlights include:

- **H.R. 5 - Regulatory Accountability Act** requires agencies to identify the lowest-cost option for new rules and imposes additional procedural steps in the rulemaking process for major rules.
- **H.R. 1430 - Honest and Open New EPA Science Treatment (HONEST) Act of 2017** requires federal agencies to make public all of the data utilized in rulemaking processes to set standards.
- **H.R. 1431 - EPA Science Advisory Board Reform Act of 2017** broadens membership of EPA science boards to provide greater range of viewpoints and geographic diversity.

## Bipartisan group of senators push "cost-effective" reform to improve regulatory accountability

- Senators Rob Portman (R-OH) and Heidi Heitkamp (D-ND) recently introduced the **Regulatory Accountability Act of 2017** in the upper chamber. The bill is similar to the House's version in H.R.5.
- The bill's co-sponsors include Senators Orin Hatch (R-UT) and Joe Manchin (D-WV).
- Strong bipartisan support is needed for passage of this legislation to reform the federal regulatory process.

## Common sense reforms benefit consumers and businesses

- Ineffective, unnecessary regulations cost jobs, undercut growth and undermine the competitiveness of U.S. business
- Reforms to improve transparency and accountability of regulations would maximize public health benefits while at the same time minimizing costs for American businesses.

It's the right time for Congress to work together to pass bipartisan legislation that protects public health and provides businesses with a pro-growth regulatory environment.