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JOINT ECONOMIC COMMITTEE

VICE CHAIRMAN JIM SAXTON

PRESS RELEASE

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RECENT TAX CUTS HAVE IMPROVED U.S. COMPETITIVENESS

**-- United States Near the Top Among Large
Advanced Economies in Offering Incentives to
Work, Save, and Invest --**

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WASHINGTON, D.C. – The federal tax cuts of the last few years have put the United States near or at the top among advanced large economies in offering incentives to work, save, and invest, according to a new Joint Economic Committee (JEC) study released by Vice Chairman Jim Saxton.

The new study, *How Competitive Is the U.S. Tax System?*, compares major tax rates in 2003 in the United States versus those in the world's eight other largest advanced economies: Australia, Canada, France, Germany, Italy, Japan, Spain, and the United Kingdom.

“In many categories, the United States has the lowest or among the lowest tax rates among its economic peers,” Saxton noted. “Had Congress not enacted the tax cuts of the last few years, the United States would at best be in the middle of the pack. The burden of taxation would have been higher and the spur to economic growth would have been lower.”

Among the economies surveyed in the study, the United States had the fastest-growing economy in 2003, according to standardized figures calculated by the Paris-based Organization for Economic Co-Operation and Development. The volume of gross domestic product in the United States grew 2.9 percent, versus 2.7 percent in Japan, the next-best performer, and –0.1 percent in Germany, the worst performer.

“We must never forget that taxes impose a burden,” Saxton said. “If that burden becomes too heavy, it undermines economic growth and with it the hopes of Americans. I remain committed to keeping the burden of taxation light enough so that the United States can continue to enjoy solid economic growth. Raising tax rates substantially at this time, as some have suggested, would increase the burden of taxation and could hurt economic growth.”

For more information on taxation and economic growth, please visit our website at www.house.gov/jec.

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