

**Tax Reform: Promote Economic Growth**  
**Enact a Lower Corporate Tax Rate**

**Position:** The pest management industry is continuously investing in technologies, innovations and our employees to better protect the American public against new and evolving pests that transmit dangerous and deadly diseases. We need a tax policy that lowers the corporate tax rate to stimulate economic growth and additional hiring in our businesses which are tasked with protecting our nation's public health, property and food supply.

**Synopsis:** The pest management industry is a \$7.8 billion economic engine with nearly 20,000 companies employing over 150,000 service technicians and thousands of additional management and support staff throughout the U.S. The pest management industry continues to grow and create jobs at a rapid pace. Much of the new job growth emanates from small and family-owned businesses with five employees or less.

As an industry, our motto is "Our Mission is Your Protection." Every day, pest management professionals dedicate themselves to protecting public health from the dangerous and deadly diseases transmitted by pests –from food borne illness carried by cockroaches and rodents to mosquito-borne threats like Zika. In order to do our jobs, we need our elected officials to tackle a long-standing inhibitor to economic growth - our dated, complicated, and regressive U.S. tax code. We want to encourage sensible tax reform that promotes hiring and innovation leading to more quality pest management services.

The last significant tax reform occurred in 1986 and the lack of ongoing reform has presented many challenges for our economy over the past 30 years. As an industry, we understand the significant obstacles to tax reform and the countless factors and interests involved, but we focus our efforts on lowering the corporate tax rate. The current corporate tax rate of 35 percent is the highest among developed countries and believe there is much consensus among lawmaker and the public that a lower corporate tax rate will expand the economy, increase investment and stimulate job hiring. The 1986 tax reform legislation under the Reagan administration led to a 12 percent reduction in the corporate tax rate which resulted in a nearly 3 percent reduction in unemployment. Americans need not just jobs but long term careers, and we truly believe a lower corporate tax rate will be instrumental in addressing this challenge.

In June 2016, Republicans published "A Better Way for Tax Reform" a bold plan to enact significant tax reform. The tax plan proposes lowering the corporate tax rate from 35 percent to 20 percent and caps the pass-through business tax rate at a maximum of 25 percent. Lowering taxes for businesses both large and small is smart policy that leads to increased investment in our companies and our employees. Studies indicate that high corporate tax rates create uncertainty for businesses resulting in a decrease in capital investment and growth. Uncertainty is not what our economy needs as we adapt for the 21<sup>st</sup> century, including exciting technological innovations and a new workforce dynamic.

During President Trump's campaign, he pledged a similar outlook and desire for tax reform, specifically advocating for a significant reduction in the corporate tax rate. Although it is too soon to know what the President's proposal will entail, we urge action now while there is an agreement in the legislative and executive branches of our government to overhaul our tax code.