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In Case You Missed It: TechNet Urges Silicon Valley To Get Behind Tax Reform

San Francisco Chronicle

Silicon Valley Should Support Trump's Tax Reform Plan
By Linda Moore, President & CEO, TechNet
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Silicon Valley — from the smallest startups to the largest tech giants — has a significant stake in the outcome of the debate over tax reform, which is heating up in Washington.

If our nation gets tax reform right, it could create millions of jobs, provide a needed jolt to our economy, and create a new wave of innovation and investment in our nation. If we fail to act, America's technology leadership around the world and our ability to create good-paying jobs here at home will be put to the test.

That's why the innovation economy should stand up and support the tax plan unveiled earlier this week.

We've known for years that our nation's tax system is outdated and broken. The corporate tax code was last updated in 1986, a time when most of the companies that make up the innovation economy were in their infancy or did not yet exist. Simply put, America's tax code was built for a bygone era.

The good news: The plan unveiled Wednesday modernizes the code, while supporting job creation, innovation and investment here at home.

The United States can create 5 million new jobs over the next five years by putting in place pro-innovation policies, including business tax reform. That's according to a landmark study that makes clear that startups are sprouting up across the country, both in traditional technology hubs as well as 25 "Next in Tech" cities — such as Charlotte, N.C., Charleston, S.C., and Cleveland. We should do all we can to promote high-growth, job-creating startups across the nation.

At the same time, tax reform helps level the playing field with our overseas competitors. Businesses today don't just compete with companies from around the corner, but from around the world. Yet, our corporate tax rate is the highest in the developed world — higher than France, Brazil, Venezuela and dozens of other nations.

To make businesses more competitive, this proposal brings the tax rate businesses pay in line with those of other developed nations. Lowering the rate also encourages the risk-taking associated with startups and helps the most successful businesses put more money back into jobs, research and development and growth here in the United States. The proposal also encourages businesses to invest \$3 trillion in overseas earnings here at home. And, just as important, it leaves in place the research and development tax credit, the cornerstone of innovation in our nation. This kind of tax reform will serve notice to our competitors that America is stepping up its economic game.

There is no doubt that tax reform is difficult, particularly in today's polarized, political climate. Congress will surely have to grapple with the trade-offs that paying for and passing a major tax overhaul requires. But this issue is too important to put off. Congress has a window of opportunity to act. It should modernize our tax code so we can encourage businesses to create jobs here at home and ensure our nation remains the global leader in innovation.

About TechNet

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic startups and the most iconic companies on the planet and represents more than 2.7 million employees in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, biotechnology, venture capital, and finance. TechNet has offices in Washington, D.C., Silicon Valley, San Francisco, Sacramento, Austin, Boston, Olympia, Albany, and Tallahassee.

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