



News Release

FOR IMMEDIATE RELEASE

MILLER & CHEVALIER ANNOUNCES RESULTS OF 2010 TAX POLICY FORECAST SURVEY
Respondents to Fourth Annual Survey Say Administration is Primary Driver of the Tax Agenda;
Call for Tax Policies to Increase Global Competitiveness

Washington, D.C., February 16, 2010 – Miller & Chevalier Chartered today announced the results of their 2010 Tax Policy Forecast Survey measuring the current perspectives and attitudes of leading corporate tax executives on the direction of tax policy in the coming year. The results point to concern about proposals impacting the U.S. tax treatment of international operations and a need for fundamental reform of the current tax system.

Survey respondents named the U.S. taxation of international operations as their top business tax concern in 2010. The United States currently has the second-highest statutory corporate tax rate among OECD members, which is a significant concern for domestic-based businesses competing in the global marketplace. However, while respondents overwhelmingly believe there is a need for a fundamental overhaul of the current corporate tax structure, less than two percent believe it is likely in the coming year.

“Respondents to our survey are reacting to a number of legislative proposals already on the table that, if enacted, would increase the U.S. tax treatment of international operations,” said Miller & Chevalier Member Marc Gerson, former Majority Tax Counsel to the U.S. House of Representatives Committee on Ways & Means. “The business community is concerned about the use of these proposals as revenue raisers to fund the current legislative agenda. In addition, the business community is again calling for greater simplification, a lower corporate tax rate and tax policies that generally will help companies stay more competitive in the global business environment.”

Additionally, respondents believe the Administration is the real driver on tax policy, with significantly more influence than Congress. Forty percent of respondents think the Obama Administration’s priorities will have the most significant impact on tax policy in 2010, and 46 percent believe President Obama is the individual who will have the most significant impact on tax policy in 2010. Senator Max Baucus and Treasury Secretary Timothy Geithner were next on the list of most influential individuals on tax policy matters, but trailed far behind President Obama (14 percent and 10 percent, respectively).

Outside of economic stimulus legislation (77 percent), corporate tax executives believe the President’s tax agenda is likely to be dominated by extending expired provisions and that there is a very low chance of fundamental tax reform this year.

Survey Highlights

In January, Miller & Chevalier distributed the survey via e-mail to leading corporate tax executives at a broad cross-section of large U.S.-based and foreign-based multinational corporations and major trade associations. Some survey highlights include:

- Respondents name U.S. taxation of international operations (40 percent) and management of the effective tax rate (37 percent) as their top two business tax concerns in 2010.

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- Seventy-seven percent of respondents think economic stimulus will be a tax policy priority of the Obama Administration in 2010, 48 percent think extension of expired provisions will be a priority and 40 percent think energy legislation will be a priority.
- Respondents overwhelmingly believe there is a need for fundamental reform of the current tax system, but only two percent think such reform is likely in the coming year. Seventy-three percent believe this is a result of competing legislative priorities and 68 percent believe that the pending mid-term elections will stand in the way of significant tax reform.
- An increase in the U.S. taxation of international operations (74 percent); increased taxes on capital gains, dividends and interest (67 percent); and codification of the economic substance doctrine (61 percent) are named as the leading tax revenue sources to be tapped to fund Congressional initiatives in 2010.
- Two-thirds of respondents believe that the 2009 “extenders” package will be enacted into law in 2010.

For a full copy of the survey results and analysis, please contact Laura Miller at (312) 252-4104 or visit www.millerchevalier.com.

About Miller & Chevalier

Founded in 1920, Miller & Chevalier is a Washington, D.C. law firm with a global perspective and leading practices in tax; employee benefits, including ERISA; international law and business; complex litigation; and government affairs. For more information on the firm, visit www.millerchevalier.com.

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