



# News Release

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**MILLER & CHEVALIER ANNOUNCES RESULTS OF  
FIFTH ANNUAL TAX POLICY FORECAST SURVEY**  
*2011 Survey Respondents Say Split in Congressional Control Means Limited Tax Agenda;  
Call for Tax Policies to Increase Global Competitiveness*

**Washington, D.C., February 7, 2011** – Miller & Chevalier Chartered today announced the results of their 2011 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 an anticipated modest tax legislative agenda for 2011, despite indications that both the Administration and the Congress have an interest in pursuing fundamental tax reform.

“Expectations for significant tax legislation are low for the coming year. The business community sees the split in Congressional control, coupled with increased concern regarding the deficit and the anticipated focus on longer-term fundamental tax reform, as likely putting a significant damper on the tax legislative agenda for 2011,” said Miller & Chevalier Member Marc Gerson, former Majority Tax Counsel to the U.S. House of Representatives Committee on Ways & Means.

Survey respondents are calling for a reduction in the U.S. corporate tax rate to spur global competitiveness. Thirty one percent of respondents said that if deferral of U.S. taxation of foreign earnings was repealed, the U.S. tax rate should fall in the 20-24 percent range to spur global competitiveness, but it’s notable that an equal number of respondents think the U.S. should abandon the worldwide system and adopt a territorial system.

Although respondents said that they believe Congress, the federal deficit and a focus on the economic downturn will be more influential than the Obama Administration’s priorities in leading the tax agenda this year, the President was still clearly viewed as the most influential individual on tax policy.

Corporate tax executives say they are increasingly worried about financial statement disclosure issues, with nearly one third of respondents listing it as their top business tax concern for the coming year, up from just 11 percent in the 2010 survey. Such a shift is likely attributable to concern regarding how IRS examiners will use the new Schedule UTP as taxpayers begin to file the new schedule with their 2010 returns.

While respondents overwhelmingly believe there is a need for a fundamental tax reform, just five percent believe it is likely in the coming 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 named U.S. taxation of international operations (35 percent) and financial statement disclosure issues (29 percent) as their top two business tax concerns in 2011.

- Despite the stated interest in tax reform by the Administration and Congress, business leaders are cynical about whether it will happen this year, particularly due to the split in Congressional control.
- An increase in the U.S. taxation of international operations (62 percent), industry specific taxes or fees (50 percent) and reductions in spending (48 percent) are named as the leading sources to be tapped to fund Congressional initiatives in 2011.
- Thirty percent of respondents think the split in Congressional control will have the most significant impact on tax policy in 2011, followed by the federal budget deficit (29 percent) and continued focus on the economic downturn (21 percent). Only nine percent of respondents said Obama Administration priorities would be the biggest factor in tax policy changes.
- Respondents believe the split in Congressional control means that there will be little to no tax legislation on the horizon this year (47 percent), although a significant number of respondents (37 percent) believe that some modest tax legislation, potentially with respect to extension of the tax “extenders” package and perhaps some targeted stimulus provisions, will be enacted this year.
- Respondents believe that codification of the economic substance doctrine will not impact their tax planning or their relationship with the IRS or their external auditors.

For a full copy of the survey results and analysis, please contact Laura Miller at (312) 252-4104 or [lmiller@greentarget.net](mailto:lmiller@greentarget.net) or visit [www.millerchevalier.com](http://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](http://www.millerchevalier.com).

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