TAX POLICY FORECAST SURVEY

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Executive Summary

To better assess how changing tax policy will impact the business community, **Miller & Chevalier's 2011 Tax Policy Forecast Survey** was designed to measure the current perspectives and attitudes of leading corporate tax executives on the direction of tax policy in 2011. This fifth annual study included respondents from a broad cross-section of large U.S.-based multinationals, foreign-based multinationals and major trade associations.

Respondents to the fifth annual survey anticipate a modest tax legislative agenda for 2011. In this regard, despite indications that both the Administration and Congress have an interest in pursuing fundamental tax reform, respondents believe that such reform is unlikely to occur in 2011.

Highlights of Miller & Chevalier's 2011 Tax Policy Forecast Survey 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 planning, their relationship with the IRS or their external auditors.

Verbatims

Respondents were asked to share their thoughts on legislative tax issues in an open forum section of the survey designed to elicit comments and specific feedback. The following represent select verbatims received.

What tax issues are you most concerned about in 2011?

- *International taxation legislation that will have an anti-competitive effect on U.S. multinationals.*
- *Irrationally and poorly considered targeted "pay go" taxes.*
- *Move to a territorial tax system and/or federal VAT. Former institutionalizes and expands deferral mechanism and incentivizes offshore moves. Latter - stand alone - merely increases customer prices and, as has been seen in foreign countries, is a handy spigot for government to open when other tax revenues fall, eliminating any fiscal constraint.*
- *With Japan's planned reduction in corporate taxes, the U.S. will become the jurisdiction with the highest tax on corporations in the developed world. As a result, I would expect increased discussion about competitiveness leading up to a discussion of fundamental tax reform. I don't think tax reform will be enacted in 2011 and, if that is correct, the Presidential election probably precludes it until after 2012.*
- *Excessive and uncompetitive U.S. corporate rate.*
- *International tax area will continue to be attacked both legislatively and upon audit.*
- *Tax increases to help solve the deficit problem.*
- *We strongly urge fundamental corporate tax reform – lower rates and broader base for all taxpayers.*
- *Not necessarily in 2011, but I am concerned about revenue-neutral tax reform that would shift more of the U.S. tax burden to primarily domestic companies.*

Are there any specific changes you think should be made to the current tax structure for business income?

- *Lower rates and broaden base. Simplification is long overdue!*

- *Revenue neutral legislation to broaden the base and significantly lower the rates.*

- *Adopt a territorial tax system, including the overhaul of the out of date Subpart F Rules – all active foreign income should not be subject to U.S. taxation, only purely passive foreign income. R&D rules should be modernized to promote the U.S. as a technology hub, including the adoption of a patent box regime.*

- *Fundamental tax reform to include (1) rate reduction, preferably to 20%, (2) base broadening, and (3) a territorial international tax system which syncs the U.S. up to the rest of the world, provides for greater and less expensive capital mobility through dividend repatriation, and simplifies compliance.*

- *Lower corporate tax rate - offset by broader tax base - with some mechanism to make it more difficult for future Congresses to increase the rate.*

- *Corporate tax rate must come down. U.S. should move to an exemption system like the rest of the world.*

- *Territorial taxation similar to the rest of the world. Lower corporate tax rates commensurate with the rest of the world (20-25%) and introduce innovation incentives, such as a permanent R&D credit and innovation box tax regime.*

- *Move to 95% dividend exemption system and seek a reduced rate for royalties that stem from IP and innovation.*

- *Generally, a tax rate decrease with base broadening is appropriate. If done to a significant degree, it could actually attract foreign investment to the U.S. instead of causing U.S. companies to invest so much in foreign countries, and it might cause significant repatriation of earnings by U.S. companies.*

2011 Tax Policy Forecast Survey Results

Respondents were asked to complete a short questionnaire designed to measure their thoughts and perspectives on the direction of tax policy for business in 2011. The following charts represent the collective input of 172 respondents to the survey. A full overview of the survey methodology can be found at the end of this report.

Q1. What is your top business tax concern for the coming year?			
Responses	**Count**	**%**	**Percentage of total respondents**
Financial statement disclosure issues (FIN 48/Schedule UTP)	50	29.24%	
Corporate tax rate	47	27.49%	
Taxation of international operations	59	34.50%	
Research and experimentation and other tax credits	5	2.92%	
Employee benefits and executive compensation	10	5.85%	
Total Responses	**171**		**20% 40% 60% 80% 100%**

- For the second year in a row, the U.S. taxation of international operations (35 percent) tops the list of business tax concerns. This concern is likely a reflection of the Obama Administration focus on such taxation in the two previous budget proposals and the significant number of international tax provisions enacted in the last year.

- The increase in concern regarding financial statement disclosure issues is 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.

- In 2010, respondents named taxation of international operations (40 percent) and management of the effective tax rate (37 percent) as their top two business tax concerns.

- In 2009, respondents named management of the effective tax rate (40 percent) and U.S. taxation of international operations (22 percent) as their top two business tax concerns.

- In 2008, 28 percent of respondents said their top business concern was management of the effective tax rate, followed by 21 percent of respondents who named FIN 48 issues and 21 percent who said U.S. taxation of international operations.

Q2. What will have the most significant impact on tax policy in 2011?			
Responses	**Count**	**%**	**Percentage of total respondents**
Obama Administration priorities	16	9.30%	
Split in Congressional control	52	30.23%	
Continued focus on the economic downturn	36	20.93%	
Global competitiveness issues	12	6.98%	
Federal budget deficit/PAYGO	50	29.07%	
Recommendations of the President's Economic Recovery Advisory Board and/or the National Commission on Fiscal Responsibility and Reform	6	3.49%	
Total Responses	**172**		**20% 40% 60% 80% 100%**

- The number of respondents who believe the Obama Administration's priorities are driving tax policy decreased significantly since last year (40 percent down to nine percent), possibly demonstrating an anticipated drop in the influence of the Administration in light of the new split in Congressional control.
  - The split in Congressional control, coupled with increased concern regarding the deficit and the anticipated focus on longer-term fundamental tax reform, could put a significant damper on the tax legislative agenda for 2011.

- Fewer than five percent of respondents in 2009 said that budgetary concerns, including PAYGO rules, would have a significant impact on tax policy. As the budgetary situation has worsened and corporate taxpayers have seen the impact of the PAYGO rules on the tax agenda, concern increased to 24 percent of respondents in 2010 and 29 percent this year.

Q3. What will be the impact of the continued focus on the economic downturn on tax policy in 2011? (Check all that apply)			
Responses	**Count**	**%**	**Percentage of total respondents**
Focus on economic stimulus legislation	79	47.59%	
Delay in tax reform legislation	103	62.05%	
Increase in business-related taxes	49	29.52%	
Decrease in business-related taxes	26	15.66%	
Total Responses	**257**		**20% 40% 60% 80% 100%**
Multiple answers per participant possible. Percentages added may exceed 100 since a participant may select more than one answer for this question.			

- Echoing their sentiments that there will likely be a modest tax legislative agenda in 2011, respondents believe that tax legislation will be focused on economic stimulus (48 percent).

- Fewer respondents than last year pointed to an increase in business-related taxes as a consequence of the economic downturn (60 percent in 2010; 30 percent in 2011), likely due to the current split in Congressional control.

- In 2010, respondents said the economic downturn would result in increased business taxes (60 percent), the expiration of the Bush tax cuts (56 percent), a Congressional focus on economic stimulus (49 percent), and a delay in tax reform legislation (46 percent).

- In 2009, respondents said the economic downturn would result in a Congressional focus on economic stimulus (90 percent) and a delay in tax reform legislation (47 percent).

Q4. What will be the Obama Administration's tax policy priorities in 2011? (Check all that apply)			
Responses	**Count**	**%**	**Percentage of total respondents**
Economic stimulus	130	76.47%	
Global competitiveness	58	34.12%	
Fundamental tax reform	44	25.88%	
Traditional tax "extenders" package	24	14.12%	
Energy and climate-related taxes	48	28.24%	
Deficit reduction	76	44.71%	
Total Responses	**380**		**20% 40% 60% 80% 100%**
Multiple answers per participant possible. Percentages added may exceed 100 since a participant may select more than one answer for this question.			

Q5. What will be Congress's tax policy priorities in 2011? (Check all that apply)			
Responses	**Count**	**%**	**Percentage of total respondents**
Economic stimulus	79	46.20%	
Global competitiveness	58	33.92%	
Fundamental tax reform	51	29.82%	
Traditional tax "extenders" package	51	29.82%	
Energy and climate-related taxes	9	5.26%	
Deficit reduction	120	70.18%	
Total Responses	**368**		**20% 40% 60% 80% 100%**
Multiple answers per participant possible. Percentages added may exceed 100 since a participant may select more than one answer for this question.			

- Questions four and five show a divide between the perceived Administration and Congressional tax legislative agendas, demonstrating a belief that the Administration will continue to prioritize economic stimulus legislation, whereas Congress will focus on deficit reduction.

- Respondents this year see a greater emphasis on the tax “extenders” package than they have in the past. Timely extension of this package has been an ongoing concern to the business community. Thus, if Congress does prioritize the extension of the tax “extenders” package in its anticipated limited tax agenda, this will be encouraging to the business community.

- In 2010, 77 percent of respondents said the President would focus on economic stimulus followed by extension of the tax “extenders” package (48 percent).

- In 2009, 71 percent of respondents said tax cuts for the middle class would continue to be a priority for the President, a platform central to his campaign.

- In 2008, respondents thought Congress would focus on AMT relief (81 percent), taxation of hedge funds and other investment vehicles (57 percent), and oversight and scrutiny of international operations (51 percent) in the coming year.

Q6. Which of the following revenue sources do you believe will be among the leading sources tapped to pay for Congressional tax initiatives? (Check all that apply)

Responses	Count	%	Percentage of total respondents
Elimination or reduction of the domestic manufacturing deduction under Section 199	82	47.67%	
Increase in the taxation of international operations (e.g., reduction in foreign tax credits, elimination of deferral, or transfer pricing changes)	107	62.21%	
Limitations on executive compensation	30	17.44%	
Industry specific taxes or fees	86	50.00%	
Reductions in spending	82	47.67%	
Other (please specify)	12	6.98%	
Total Responses	**399**		**20% 40% 60% 80% 100%**

Multiple answers per participant possible. Percentages added may exceed 100 since a participant may select more than one answer for this question.

- For the second year in a row, respondents believe an increase in the U.S. taxation of international operations (62 percent) is very likely in 2011, a recurring theme of the survey.

- Half of respondents believe Congress will look at industry specific taxes or fees as revenue drivers, possibly due to the precedent set in the health care reform legislation, which included the enactment of a number of fees on particular industries.

- Nearly half of respondents believe Congress may look at reductions in spending to pay for tax initiatives; this is a distinct change from some legislation enacted in 2010, which financed new spending initiatives with tax "revenue raisers."

- In 2010, 74 percent of respondents said Congress would look to taxation of international operations as a leading revenue source, followed by increased taxes on capital gains, dividends and interest (67 percent), codification of the economic substance doctrine (61 percent), and limitations on executive compensation (54 percent).

- In 2009, 66 percent of respondents said Congress would look at limitations on executive compensation as a leading revenue source, up from 44 percent in 2008. Sixty-nine percent of 2009 respondents believed an increase in the U.S. taxation of international operations was a likely revenue source.

- In 2008, respondents said the leading sources tapped to pay for Congressional initiatives would be an increase in the taxation of hedge funds or other investment vehicles (69 percent), codification of the economic substance doctrine (64 percent), an increase in the U.S. taxation of international operations (60 percent), and elimination or reduction of the domestic manufacturing deduction under Section 199 (58 percent).

- In 2007, respondents said the leading sources tapped to pay for Congressional initiatives would be codification of the economic substance doctrine (65 percent), increase in the U.S. taxation of international operations (62 percent), and elimination or reduction in the domestic manufacturing deduction under Section 199 (37 percent).

Q7. Which of the following revenue sources do you believe would have the most unfavorable impact on your business? (Check all that apply)			
Responses	**Count**	**%**	**Percentage of total respondents**
Elimination or reduction of the domestic manufacturing deduction under Section 199	35	20.59%	
Increase in the taxation of international operations (e.g., reduction in foreign tax credits, elimination of deferral, or transfer pricing changes)	84	49.41%	
Limitations on executive compensation	23	13.53%	
Industry specific taxes or fees	88	51.76%	
Reductions in spending	16	9.41%	
Other (please specify)	7	4.12%	
Total Responses	**253**		**20% 40% 60% 80% 100%**
Multiple answers per participant possible. Percentages added may exceed 100 since a participant may select more than one answer for this question.			

- Respondents continue to be concerned about the U.S. taxation of international operations, but industry specific taxes or fees, a new option in this year's survey, is the top concern by a slight margin. Such fees would impact taxpayers in affected industries.

- In 2010, the revenue sources respondents said would have the most unfavorable impact on their businesses were taxation of international operations (48 percent), increased taxes on capital gains, dividends, and interest (14 percent), elimination or reduction of LIFO inventory benefits (10 percent), and elimination or reduction of the domestic manufacturing deduction under Section 199 (10 percent).

- In 2009, the revenue sources respondents said would have the most unfavorable impact on their businesses were an increase in the U.S. taxation of international operations (37 percent), elimination or reduction of LIFO inventory benefits (15 percent), and the elimination or reduction of the domestic manufacturing deduction under Section 199 (14 percent).

- In 2008, the revenue sources respondents said would have the most unfavorable impact on their businesses were an increase in the U.S. taxation of international operations (38 percent), elimination or reduction of the domestic manufacturing deduction under Section 199 (19 percent), and reduction of interest, rent or royalty deductions (13 percent).

- In 2007, respondents named increase in the U.S. taxation of international operations (28 percent), elimination or reduction of the domestic manufacturing deduction under Section 199 (21 percent), and reduction of interest, rent or royalty deductions (20 percent) as their top concerns.

Q8. In which of the following areas do you believe Congress will press for more IRS scrutiny of the tax returns of business taxpayers? (Check all that apply)

Responses	Count	%	Percentage of total respondents
International business operations	135	78.95%	
Financial instruments and transactions	91	53.22%	
Withholding taxes on payments to foreign parties	78	45.61%	
Joint ventures and partnerships	35	20.47%	
Employee benefits and executive compensation, including stock options	43	25.15%	
High net-worth individuals	60	35.09%	
Total Responses	**442**		20% 40% 60% 80% 100%

Multiple answers per participant possible. Percentages added may exceed 100 since a participant may select more than one answer for this question.

- Again, respondents believe there will be a tax focus on international business operations (79 percent) when it comes to areas of IRS scrutiny.

- Respondents in 2011 believe employee benefits and executive compensation will be less of a focus than they did last year (down from 48 percent in 2010).

- In 2010, respondents said the IRS would press for more scrutiny of tax returns of business taxpayers with respect to international business operations (77 percent), employee benefits and executive compensation (48 percent), and financial instruments and transactions (46 percent).

- In 2009, respondents said the IRS would press for more scrutiny of tax returns of business taxpayers with respect to international business operations (75 percent), financial instruments and transactions (69 percent), and employee benefits and executive compensation (60 percent).

- In 2008, respondents said the IRS would press for more scrutiny of tax returns of business taxpayers with respect to international business operations (72 percent), financial instruments and transactions (57 percent), and employee benefits and executive compensation (44 percent).

Q9. In which of the following areas do you believe foreign tax jurisdictions will more greatly scrutinize the tax returns of business taxpayers? (Check all that apply)			
Responses	**Count**	**%**	**Percentage of total respondents**
Transfer pricing and permanent establishment issues	158	92.40%	
Financial instruments and transactions	46	26.90%	
Joint ventures and partnerships	41	23.98%	
Employee benefits and executive compensation, including stock options	10	5.85%	
Total Responses	**255**		**20% 40% 60% 80% 100%**
Multiple answers per participant possible. Percentages added may exceed 100 since a participant may select more than one answer for this question.			

- In 2010, respondents said foreign taxing jurisdictions would more greatly scrutinize the tax returns of business taxpayers with respect to transfer pricing and permanent establishment issues (93 percent), financial instruments and transactions (27 percent), and joint ventures and partnerships (24 percent).

- In 2009, respondents said foreign taxing jurisdictions would more greatly scrutinize the tax returns of business taxpayers with respect to transfer pricing and permanent establishment issues (90 percent), financial instruments and transactions (39 percent), and joint ventures and partnerships (19 percent).

Q10. In which jurisdictions do you believe the tax returns of business taxpayers will be more greatly scrutinized? (Check all that apply)			
Responses	**Count**	**%**	**Percentage of total respondents**
Europe	119	71.26%	
Asia	88	52.69%	
Southeast Asia	32	19.16%	
Middle East	18	10.78%	
Central and South America	33	19.76%	
Mexico/Canada	52	31.14%	
Total Responses	**342**		**20% 40% 60% 80% 100%**
Multiple answers per participant possible. Percentages added may exceed 100 since a participant may select more than one answer for this question.			

- In 2010, respondents said foreign taxing jurisdictions would more greatly scrutinize the tax returns of business taxpayers in Europe (92 percent), Asia (57 percent), Mexico/Canada (47 percent), and Central and South America (29 percent).

Q11. What tax legislation do you expect to be enacted into law in 2011? (Check all that apply)			
Responses	**Count**	**%**	**Percentage of total respondents**
Economic stimulus legislation	57	33.53%	
Traditional "extenders" package	84	49.41%	
Energy and climate-related tax legislation	21	12.35%	
Fundamental reform of the tax code	8	4.71%	
No significant tax legislation	73	42.94%	
Other (please specify)	2	1.18%	
Total Responses	**245**		**20% 40% 60% 80% 100%**
Multiple answers per participant possible. Percentages added may exceed 100 since a participant may select more than one answer for this question.			

- Despite Administration and Congressional interest in pursuing fundamental tax reform, very few respondents see fundamental tax reform as likely this year. Rather, they believe the 2011 tax agenda will be rather modest, potentially focusing on the extension of the tax “extenders” package and perhaps some targeted stimulus provisions.

- While still on their radar, fewer respondents than last year believe economic stimulus legislation is likely in 2011 (97 percent in 2009; 55 percent in 2010; 34 percent in 2011).

- In 2010, the tax legislation respondents most expected to be enacted into law were: the tax “extenders” package (67 percent), a one-year AMT patch (67 percent), and economic stimulus legislation (55 percent).

- In 2009, the tax legislation respondents most expected to be enacted into law were: economic stimulus legislation (97 percent), a one-year AMT patch (72 percent), and a one-year tax “extenders” package (62 percent).

- In 2008, the tax legislation respondents most expected to be enacted into law were: a one-year AMT patch (84 percent), a one-year tax “extenders” package (68 percent), and codification of the economic substance doctrine (38 percent).

Q12. Do you believe that the FIN 48 reserve requirements, the Schedule UTP and related discussions between taxpayers and their auditors will lead to better compliance with the tax laws?			
Responses	**Count**	**%**	**Percentage of total respondents**
Yes	59	34.71%	
No	111	65.29%	
Total Responses	**170**		**20% 40% 60% 80% 100%**

- Responses were very similar to 2010, when just 32 percent of respondents said the FIN 48 reserve requirements would lead to better compliance with tax laws. It will be interesting to see what impact Schedule UTP will have on tax compliance.

Q13. There have been a number of recent proposals to eliminate or restrict deferral of U.S. taxation of foreign earnings. If Congress were to consider eliminating deferral in order to fund a reduction in the U.S. corporate tax rate, what tax rate would allow U.S. multinationals to remain globally competitive?			
Responses	**Count**	**%**	**Percentage of total respondents**
Greater than 32	0	0%	
30-32	5	2.99%	
25-29	38	22.75%	
20-24	51	30.54%	
15-19	18	10.78%	
Less than 15	4	2.40%	
The U.S. should adopt a reasonable territorial system and not tax the foreign active business of U.S. multinational groups	51	30.54%	
Total Responses	**167**		**20% 40% 60% 80% 100%**

- The highest percentage of responses falls in the 20-24 percent tax rate, but it is notable that an equal number of respondents think the U.S. should abandon the worldwide system and adopt a territorial system.

- In 2010, respondents were not given specific ranges and provided a wide variety of answers to this open-ended question. Although a number of respondents noted that a corporate tax rate of somewhere between 15 and 25 percent would allow U.S. multinationals to remain globally competitive in the event that deferral is repealed, many respondents noted that an even lower corporate rate would be necessary.

Q14. Which individuals will have the most significant impact on tax policy in 2011? (Rank top three with number one being most influential)				
Responses	**Rank 1**	**Rank 2**	**Rank 3**	**Weighted Rank (Score)**
President Barack Obama	89	11	29	1 (318)
Senator Max Baucus	23	39	37	2 (184)
Representative Dave Camp	27	35	17	3 (168)
Treasury Secretary Timothy Geithner	13	36	18	4 (129)
IRS Commissioner Douglas Shulman	6	6	16	5 (46)
Senator Orrin Hatch	1	14	13	6 (44)
Council of Economic Advisers Chair Austan Goolsbee	2	8	15	7 (37)
Representative Sander Levin	2	9	6	8 (30)
Assistant Treasury Secretary (Tax Policy) Michael Mundaca	1	6	13	9 (28)
Total Responses				**164**

- Although respondents in Question 2 said that they do not believe the Obama Administration's priorities will lead the tax agenda this year, the President was still clearly viewed as the most influential individual on tax policy.

Q15. Many believe that the U.S. tax code is in need of fundamental reform. If such reform does not occur in 2011, which of the following will be the contributing factors? (Check all that apply)

Responses	Count	%	Percentage of total respondents
Lack of Administration interest	52	30.23%	
Lack of Congressional interest	43	25.00%	
Competing legislative priorities	127	73.84%	
Budgetary constraints	74	43.02%	
Lack of public support	23	13.37%	
Lack of public agreement on the appropriate reforms	107	62.21%	
Total Responses	**426**		**20% 40% 60% 80% 100%**

Multiple answers per participant possible. Percentages added may exceed 100 since a participant may select more than one answer for this question.

- Respondents believe that competing legislative priorities, coupled with budgetary constraints and lack of public agreement on the appropriate reforms, make fundamental tax reform unlikely in 2011.

- While fundamental reform is unlikely in 2011, it is anticipated that, at a minimum, the coming year will be one of significant tax reform discussions, as both Congressional tax-writing committees are anticipated to hold numerous hearings on the topic.

Q16. In 2010, Congress codified the economic substance doctrine (with a strict liability penalty) as part of the Patient Protection and Affordable Care Act. In what areas will codification of the economic substance doctrine have an impact on your business? (Check all that apply)

Responses	Count	%	Percentage of total respondents
Tax planning for major transactions	70	41.67%	
Relationship with the IRS	48	28.57%	
Relationship with your external auditors	29	17.26%	
None of the above	67	39.88%	
Total Responses	**214**		**20% 40% 60% 80% 100%**

Multiple answers per participant possible. Percentages added may exceed 100 since a participant may select more than one answer for this question.

- More than a third of respondents selected “none of the above,” indicating that they believe that codification of the economic substance doctrine will not impact their tax planning or their relationship with the IRS or their external auditors. Nevertheless, it is important to note that there continues to be uncertainty regarding the scope of the economic substance doctrine and how it will be applied by the IRS.

Q17. As a result of the midterm elections, the Democratic Party will control the U.S. Senate while the Republican Party will control the U.S. House of Representatives. What impact will the split in Congressional control have in 2011?			
Responses	**Count**	**%**	**Percentage of total respondents**
Bipartisan tax legislation	5	2.92%	
Little or no tax legislation as a result of Congressional "gridlock"	81	47.37%	
Modest tax legislation	64	37.43%	
Substantive fundamental tax reform discussions	19	11.11%	
Enactment of the fundamental tax reform legislation	2	1.17%	
Total Responses	**171**		**20% 40% 60% 80% 100%**

- Respondents believe the split in Congressional control means little to no tax legislation is on the horizon for this year, although a significant number of respondents 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.

Methodology

In January 2011, Miller & Chevalier distributed a survey via e-mail to leading tax and finance executives, including Vice Presidents, Managers and Directors of Tax at a broad cross-section of large U.S.-based and foreign-based multinational corporations and major trade associations. The survey was completed by 172 respondents.

The survey was open from January 11 through January 28, 2011.

Due to rounding, all percentages used in all questions may not equal 100 percent. A few small edits were made to select verbatim responses to correct spelling and verb tense.

Percentages added may exceed 100 in questions 3-11, 15 and 16 since a participant could select more than one answer for those questions.

Which of the following best describes you?		
Responses	**%**	**Percentage of total respondents**
CEO	4.69%	
CFO	1.56%	
COO	0%	
President	1.56%	
Vice President	18.75%	
Director or Manager of Tax	46.09%	
Government Affairs Professional	3.91%	
In-House Counsel	13.28%	
Other (please specify)	8.59%	
(Did not answer)	1.56%	
Total Responses		**20% 40% 60% 80% 100%**