TAX POLICY FORECAST SURVEY

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MILLER CHEVALIER

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Executive Summary

In light of the election of President Obama, the increased Democratic majorities in the Senate and House and the ongoing economic crisis, the business community can expect the new President and Congress to address tax policy issues in 2009.

To better assess how changing tax policy will impact the business community, **Miller & Chevalier's 2009 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 2009. This follow-up to Miller & Chevalier's 2007 and 2008 Tax Policy Forecast Surveys included respondents from a broad cross-section of large U.S.-based multinationals, foreign-based multinationals and major trade associations.

Respondents to the third annual survey say that addressing the economic crisis will dominate the tax agenda this year. Once Congress gets past the economic stimulus legislation however, it is unclear what the remainder of the tax agenda will be. Industry leaders are keeping a close eye on a number of current issues that potentially will adversely affect their industries. Longer-term, respondents are calling for greater simplification, a lower corporate tax rate and international tax policies that will help their companies stay more competitive in the global business environment.

Highlights of Miller & Chevalier's 2009 Tax Policy Forecast Survey include:

- Respondents name management of the effective tax rate (40%) and taxation of international operations (22%) as their **top two business tax concerns in 2009**.

- 95% of respondents think economic stimulus will be a tax policy priority of the Obama Administration, 71% think middle class tax cuts will be a priority and 31% think energy legislation will be a priority.

- Respondents overwhelmingly believe there is a need for a **comprehensive overhaul of the current tax structure**, but only 2% think such reform is likely in the coming year.

- Respondents believe the economic downturn will cause tax policy in 2009 to center on economic stimulus legislation (90%) and delay tax reform legislation (47%).

- Respondents believe Congress will look at increased taxation of international operations (69%), limitations on executive compensation (66%) and increased taxes on capital gains, dividends, and interest (59%) as revenue sources.

- An increase in the taxation of international operations was named the potential Congressional revenue raiser which would have the most unfavorable impact on business.

- Respondents believe Congress will press for more IRS scrutiny of the tax returns of business taxpayers with respect to international business operations (75%), financial instruments and transactions (69%) and employee benefits and executive compensation (60%).

- Tax legislation that respondents think is most likely to be enacted into law in 2009 includes economic stimulus legislation (97%), a one-year AMT "patch" (72%) and a one-year "extenders" package (62%).

Verbatims

Respondents were asked to share their thoughts on legislative tax issues in an open forum for comment and feedback. The following represent select verbatims received from survey respondents.

- *The current tax structure needs simplification and to make rates competitive with other developed countries.*

- *I'm concerned about attacks on international operations of U.S.-based multinationals, repeal of LIFO and attacks on specific industries (e.g. oil, pharmaceuticals, etc.).*

- *I worry about pressure to raise taxes on businesses and individuals due to the costs of the stimulus and bailout packages. With the economic downturn, raising taxes is counter-productive, but I believe Congress will balk at continued deficit spending. There is too much political pressure to continue or increase government spending (including earmarks) rather than reduce spending in certain areas which do not have a simulative effect.*

- *Lower statutory corporate income tax rates to be more in line with our trading partners.*

- *Lower the business tax rate and broaden the base.*

- *Revamp the foreign tax system so that companies can take better advantage of foreign tax credits allowing more liquidity due to foreign offshore cash being repatriated.*

- *We need a VAT and we need to reduce double taxation of corporate income.*

- *The U.S. should reorient its tax code to provide incentive for repatriation of earnings and for the movement of taxable income into the U.S. from other countries. The approach of the U.S. tax code has provided the opposite incentive historically and the U.S. corporate tax base has become smaller as a result.*

- *The U.S. can no longer be the manufacturing giant that it was because of relative cost and labor base. The economic future is in the creation, ownership and exploitation of intangibles. The tax structure should be changed to recognize this fact, encouraging education and retraining (engineering, math, science, arts, etc.) and providing rewards for creating, maintaining and owning IP in the U.S.*

- *Broaden the base, lower the rate, eliminate deferral, but reform the foreign tax credit and expense allocation rules so no U.S. tax is imparted on active income or income from treaty countries.*

- *Lower the corporate income tax rate. Significantly.*

- *Overall rate reduction is needed to bring the United States in line with OECD countries.*

- *Lower the corporate tax rate and adopt an internationally-competitive territorial system; perhaps, enact a VAT.*

2008 Tax Policy Forecast Survey Results

Respondents were asked to complete a short questionnaire designed to measure their perspectives and attitudes on the direction of tax policy in 2009. The following charts represent the collective input of 178 respondents to the survey. A full overview of the survey methodology can be found at the end of this report.

1. What is your top business tax concern for the coming year?

Responses	**Count**	**%**	**Percentage of total respondents**
Financial statement disclosure issues ("FIN 48")	35	20.11%	
Taxation of international operations	38	21.84%	
Research and experimentation and other tax credits	9	5.17%	
Employee benefits and executive compensation	22	12.64%	
Management of effective tax rate	70	40.23%	
Total Responses	**174**		**20% 40% 60% 80% 100%**

- Respondents name management of the effective tax rate (40%) and taxation of international operations (22%) as their top two business tax concerns in 2009.

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

- The fact that management of the effective tax rate continues to be the top concern of respondents is not surprising. The United States currently has the second highest statutory corporate tax rate, making it challenging for domestic-based businesses to compete with foreign competitors. In an open forum for comment, many respondents cite the need to lower the statutory corporate tax rate for competitive purposes:

    - *We need to lower the corporate tax rates to stay competitive with the rest of the world.*
    - *The high U.S. corporate tax rate is making U.S. companies less competitive with companies located in other countries and encouraging movement of jobs outside the U.S.*
    - *We need rate reductions to be more competitive with foreign jurisdictions.*
    - *We need significant reduction in the U.S. corporate tax rate to improve global competitiveness.*

2. What will have the most significant impact on tax policy in 2009?			
Responses	**Count**	**%**	**Percentage of total respondents**
Election of President Obama	22	12.36%	
Increased Democratic majorities in the House and Senate	41	23.03%	
Economic downturn	104	58.43%	
Global competitiveness issues	3	1.69%	
Federal budget deficit/PAYGO	8	4.49%	
Total Responses	**178**		**20% 40% 60% 80% 100%**

- The economic downturn in the U.S. is a major concern to businesses as evidenced throughout the survey responses. The downturn had significant impact on the tax agenda in 2008 and Congress continues to focus on economic stimulus-related legislation in the beginning of 2009.

- Fewer than 5% of respondents say that budgetary concerns, including PAYGO rules, will have a significant impact on tax policy in 2009. This low figure may stem from the fact the PAYGO rules have not been applied to economic stimulus-related legislation. Questions remain about how Congress will apply the PAYGO rules going forward with respect to the rest of its tax agenda.

- Of respondents who say their top business tax concern for the coming year is management of the effective tax rate, 69% say the economic downturn will have the most significant impact on tax policy in 2009.

- Of respondents who say increased Democratic majorities in the House and Senate will have the most significant impact on tax policy in 2009, 46% cite taxation of international operations as their top business concern.

3. What will be the impact of the recent economic downturn on tax policy in 2009? (Please check all that apply.)			
Responses	**Count**	**%**	**Percentage of total respondents**
Focus on economic stimulus legislation	160	89.89%	
Focus on specific industry "bailout" legislation	65	36.52%	
Delay in tax reform legislation	84	47.19%	
Greater likelihood that the 2001 and 2003 Bush tax cuts will be repealed prior to expiration	14	7.87%	
Greater likelihood that the 2001 and 2003 Bush tax cuts will expire without being renewed	88	49.44%	
Increase in business-related taxes	57	32.02%	
Total Responses	**468**		**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.			

- The themes of a Congressional focus on economic stimulus (90%) and delay in tax reform legislation (47%) continue to play out in respondents' answers.

- As a candidate, President Obama's tax platform included repeal of the Bush tax cuts for families earning more than $250,000 annually. However, respondents seem to believe that the economic downturn would increase the likelihood the Bush tax cuts will be allowed to expire (49%) compared to the likelihood the tax cuts would be repealed prior to expiration (8%).

4. What will be the Obama Administration's tax policy priorities in 2009? (Please check all that apply.)			
Responses	**Count**	**%**	**Percentage of total respondents**
Middle class tax cuts	127	71.35%	
Economic stimulus	169	94.94%	
Specific industry "bailouts"	51	28.65%	
Global competitiveness	15	8.43%	
Fundamental tax reform	10	5.62%	
Extension of current law (AMT patch/"extenders" package)	47	26.40%	
Energy	55	30.90%	
Total Responses	**474**		**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.			

- As a presidential candidate, President Obama's tax platform included middle class tax cuts, which 71% of respondents think will continue to be a priority for the President in 2009.

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

- President Obama pledged to "end the incentive for companies to ship jobs overseas" by reforming deferral of foreign income, something a number of respondents cite as a major concern to their businesses:

    - *I expect attacks on deferral enacted in 2009.*
    - *I'm most concerned about tax base broadening and elimination of the foreign income deferral.*
    - *We don't want to see elimination of deferral.*

5. Which of the following business tax revenue sources do you believe will be among the leading sources tapped to pay for Congressional tax initiatives? (Please check all that apply.)			
Responses	**Count**	**%**	**Percentage of total respondents**
Increased taxes on capital gains, dividends, and interest	104	59.09%	
Elimination or reduction of LIFO inventory benefits	73	41.48%	
Elimination or reduction of the domestic manufacturing deduction under Section 199	84	47.73%	
Increase in the taxation of international operations (e.g., reduction in foreign tax credits, elimination of deferral, or transfer pricing changes)	122	69.32%	
Codification of the economic substance doctrine	66	37.50%	
Limitations on executive compensation	116	65.91%	
Other (please specify)	15	8.52%	
Total Responses	**580**		**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 2008, 69% of 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%), codification of the economic substance doctrine (64%), an increase in the taxation of international operations (60%), and elimination or reduction of the domestic manufacturing deduction under Section 199 (58%).

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

- Although codification of the economic substance doctrine was included as part of President Obama's platform, respondents who believe Congress will look to such codification as a leading revenue source sharply decreased (64% in 2008, 38% in 2009).

- In 2009, 66% of respondents say Congress will look at limitations on executive compensation as a leading revenue source, up from 44% in 2008. This may evidence a concern that the executive compensation limitations contained in the recent financial and automobile industry "bailout" packages may be a precursor to broader limitations applicable to other industries.

- 69% of respondents believe an increase in the taxation of international operations is a likely revenue source.

6. Which one of the following business tax revenue sources do you believe would have the most unfavorable impact on your business?			
Responses	**Count**	**%**	**Percentage of total respondents**
Increased taxes on capital gains, dividends, and interest	21	12.21%	
Elimination or reduction of LIFO inventory benefits	26	15.12%	
Elimination or reduction of the domestic manufacturing deduction under Section 199	24	13.95%	
Increase in the taxation of international operations (e.g., reduction in foreign tax credits, elimination of deferral, or transfer pricing changes)	63	36.63%	
Codification of the economic substance doctrine	14	8.14%	
Limitations on executive compensation	14	8.14%	
Other (please specify)	10	5.81%	
Total Responses	**172**		**20% 40% 60% 80% 100%**

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

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

- For the second year in a row, taxation of international operations is clearly on the minds of respondents. In verbatim answers, respondents frequently raise concerns about elimination of deferral.

7. Do you believe Congress will press for more IRS scrutiny of the tax returns of business taxpayers with respect to: (Please check all that apply.)			
Responses	**Count**	**%**	**Percentage of total respondents**
International business operations	132	75.43%	
Financial instruments and transactions	120	68.57%	
Withholding taxes on payments to foreign parties	67	38.29%	
Joint ventures and partnerships	46	26.29%	
Employee benefits and executive compensation, including stock options	105	60.00%	
Total Responses	**470**		**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.			

- Current opinions on areas of IRS scrutiny are very similar to last year's predictions. In 2008, respondents said IRS would press for more IRS scrutiny of tax returns of business taxpayers with respect to international business operations (72%), financial instruments and transactions (57%) and employee benefits and executive compensation (44%).
    - In 2007, respondents said IRS would press for more IRS scrutiny of tax returns of business taxpayers with respect to executive compensation (92%), international business operations (86%) and financial instruments and transactions (77%).
- A number of external factors, including the recent turbulence in the financial markets, may be putting pressure on the IRS to scrutinize these areas.

8. Do you believe foreign taxing jurisdictions will more greatly scrutinize the tax returns of business taxpayers with respect to: (Please check all that apply.)			
Responses	**Count**	**%**	**Percentage of total respondents**
Transfer pricing and permanent establishment issues	151	89.35%	
Financial instruments and transactions	66	39.05%	
Joint ventures and partnerships	40	23.67%	
Employee benefits and executive compensation, including stock options	26	15.38%	
Total Responses	**283**		**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.			

9. In which jurisdictions? (Please check all that apply.)			
Responses	**Count**	**%**	**Percentage of total respondents**
Europe	138	85.71%	
Asia	95	59.01%	
Southeast Asia	50	31.06%	
Middle East	26	16.15%	
Central and South America	36	22.36%	
Mexico/Canada	72	44.72%	
Total Responses	**417**		**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 2008, respondents said foreign taxing jurisdictions will more greatly scrutinize the tax returns of business taxpayers with respect to international business operations (80%), financial instruments and transactions (39%) and joint ventures and partnerships (31%).

- Of those who believe foreign taxing jurisdictions will more closely scrutinize business tax returns with respect to transfer pricing and permanent establishment issues:

  - 87% think they will be scrutinized in Europe, 64% in Asia, 48% in Mexico and Canada, 33% in Southeast Asia, 20% in Central and South America, and 18% in the Middle East.
  - This option was not asked in 2008.

- Of those who believe foreign taxing jurisdictions will more greatly scrutinize business tax returns with respect to financial instruments and transactions:

  - 87% think they will be scrutinized in Europe, 64% in Asia, 48% in Mexico and Canada, 33% in Southeast Asia, 20% in Central and South America, and 18% in the Middle East.
  - In 2008, 40% thought they would be scrutinized in Europe, 35% in Asia, 26% in the Middle East, 42% in Central and South America, and 45% in Mexico and Canada.

- Of those who believe foreign taxing jurisdictions will more greatly scrutinize business tax returns with respect to joint ventures and partnerships:

  - 86% think they will be scrutinized in Europe, 54% in Asia, 54% in Mexico and Canada, 32% in Southeast Asia, 19% in Central and South America, and 16% in the Middle East.
  - In 2008, 36% thought they would be scrutinized in Europe, 33% in Asia, 37% in the Middle East, 28% in Central and South America, and 29% in Mexico and Canada.

- Of those who believe foreign taxing jurisdictions will more greatly scrutinize business tax returns with respect to employee benefits and executive compensation:

  - 91% think they will be scrutinized in Europe, 65% in Asia, 35% in Southeast Asia, 30% in Mexico and Canada, 26% in the Middle East and 26% in Central and South America.
  - In 2008, 7% thought they would be scrutinized in Europe, 8% in Asia, 11% in the Middle East, 11% in Central and South America, and 10% in Mexico and Canada.

10. What tax legislation do you expect to be enacted into law in 2009? (Please check all that apply)			
Responses	**Count**	**%**	**Percentage of total respondents**
Economic stimulus legislation	172	97.18%	
Specific industry "bailout" legislation	89	50.28%	
One-year "extenders" package	110	62.15%	
One-year AMT "patch"	127	71.75%	
Education tax legislation	23	12.99%	
Energy tax legislation	80	45.20%	
Comprehensive reform of the tax code	3	1.69%	
Codification of the economic substance doctrine	43	24.29%	
No significant tax legislation	7	3.95%	
Other (please specify)	4	2.26%	
Total Responses	**658**		**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 2008, the tax legislation respondents most expected to be enacted into law were a one-year AMT patch (84%), a one-year "extenders" package (68%), and codification of the economic substance doctrine (38%).

- 45% of respondents believe energy tax legislation is likely for 2009, compared to just 27% last year.

- Only 24% of respondents think codification of the economic substance doctrine is likely to be enacted in 2009, down from 38% in 2008.

- Half of respondents anticipate that Congress will enact more industry "bailout" packages in 2009, raising the question of what industries will receive such assistance.

11. Do you believe the current tax structure for business income is in need of comprehensive reform?			
Responses	**Count**	**%**	**Percentage of total respondents**
Yes	106	60.23%	
No	70	39.77%	
Total Responses	**176**		**20% 40% 60% 80% 100%**

- Despite the fact that the majority of respondents believe there is a need for comprehensive tax reform, only 2% (Question 10) see such reform as likely to happen in 2009. Regardless of need, such reform still does not appear to take the forefront of an agenda focused on the economic crisis and other priorities.

- Last year, 66% of respondents said the current tax structure for business income was in need of comprehensive reform. Not one responder said the overhaul was likely to occur in 2008.

12. What would be the impact on corporate accountability if income tax returns of publicly-held corporations were to be made subject to public inspection?			
Responses	**Count**	**%**	**Percentage of total respondents**
Corporate accountability would be improved	68	40.96%	
Corporate accountability would be harmed	98	59.04%	
Total Responses	**166**		**20% 40% 60% 80% 100%**

- Former Commissioner of the Internal Revenue Service, Mark Everson, has proposed making corporate tax returns public and believes his proposal will be adopted some time in the future. Whether it would be useful for corporate accountability or not is a question on which there is substantial disagreement among respondents.

- For some taxpayers and some industries, proprietary information might be discoverable from their tax return data, at least in the return's current format.

- The issue of transparency with respect to tax returns may be more realistically explored in the context of information exchanges between regulatory agencies rather than in the context of outright public disclosure. At this time, while the IRS and SEC meet on a regular basis, the disclosure rules applicable to tax returns as a general rule preclude an exchange of information between the IRS and SEC. Information exchanges between governmental bodies is always a sensitive subject, but a certain relaxation of the rules in specific situations designed to deter the use of abusive tax-motivated transactions might be more palatable to corporate taxpayers than making their tax returns open to the public.

- Related to this issue is the issue of the scope of the Management Discussion and Analysis required in certain SEC filings for public companies on the topic of income taxes. The Chief Accountant of the SEC several years ago said that this discussion should be sufficiently extensive that analysts could understand the elements reflected in the effective tax rate calculation. However, that does not appear to be the prevailing view among industry leaders.

13. Do you believe that the FIN 48 reserve requirements and related discussions between taxpayers and their auditors lead to better compliance with the tax laws?			
Responses	**Count**	**%**	**Percentage of total respondents**
Yes	58	33.72%	
No	114	66.28%	
Total Responses	**172**		**20% 40% 60% 80% 100%**

- Public companies are required to satisfy their auditors that their tax reserves are properly stated, among other things, reflecting full reserves for positions that are more likely than not to be sustained. If a company can satisfy its auditors on the sustainability of their uncertain tax positions, presumably they should also be able to satisfy the IRS, either at the examination level or at the administrative appeals level. In that case, the FIN 48 requirements would arguably lead to better compliance with the tax laws. Respondents by a margin of nearly two to one do not agree with this conclusion, however. The reasons for the wide discrepancy in the poll results are not clear.

14. How are your current IRS examinations conducted compared to five years ago?			
Responses	**Count**	**%**	**Percentage of total respondents**
More professionally and capably	29	17.16%	
Less professionally and capably	21	12.43%	
About the same	119	70.41%	
Total Responses	**169**		**20% 40% 60% 80% 100%**

- 88% of responders view their IRS examinations as being conducted in a manner the same as or better than that which existed five years ago. Over that time period, the IRS has faced many challenges in terms of combating overly aggressive tax transactions, managing budgetary constraints, gearing up to meet the complexities created by an ever increasing global economy, and implementing a host of changes to the Internal Revenue Code. To deliver in all these areas and achieve the results indicated in this survey is a noteworthy accomplishment.

- During this time period, the IRS was also fine-tuning its operations following its overall restructuring in 2000 as a result of the 1998 legislation. The impact of that endeavor on operations can not be overlooked.

- For a number of years, the Large and Mid-Size Business Division of the IRS (LMSB) has attempted to improve the quality of its auditors' performance through various internal programs.

- New audit techniques, new programs designed to promote better cooperation between auditors and taxpayers, and other efforts appear not to be working very well, according to respondents. A large majority of the respondents (70%) see no material change in the conduct of their examinations, notwithstanding the efforts of LMSB.

- One likely contributing factor is the declining level of experienced auditors, due to retirements and other personnel losses. IRS budgets have not allowed the compensation for experienced LMSB auditors to keep pace with the external competitors. Perhaps a general downturn in the economy will have a favorable impact on hiring and retention by the IRS.

15. Is your company a member of the IRS Compliance Assurance Process program?			
Responses	**Count**	**%**	**Percentage of total respondents**
Yes	26	14.94%	
No	105	60.34%	
Unsure	43	24.71%	
Total Responses	**174**		**20% 40% 60% 80% 100%**

- The IRS Compliance Assurance Process (CAP) program is limited to approximately 100 taxpayers, largely due to the greater IRS resources required to be devoted to the CAP program taxpayers, at least in the short run. The IRS has also limited the program to taxpayers it judges to be largely cooperative and compliant, and it makes this judgment based on its history of dealing with taxpayers.

- The resource implications both from an IRS and a taxpayer perspective impact that number of participants in the program. While there are taxpayers not currently in the program for various reasons that would like to be, not all taxpayers who might be eligible for this program wish to participate and prefer the traditional exam approach or a variant thereof like the Limited Issue Focus Examination (LIFE) process.

- In general, an over-arching concern for corporate taxpayers seems to be currency with respect to their IRS examinations, regardless of the mechanism by which it is achieved.

16. In what industry is your business?			
Responses	**Count**	**%**	**Percentage of total respondents**
Agriculture/Food	6	3.43%	
Automobile	7	4.00%	
Chemical	3	1.71%	
Construction	1	0.57%	
Defense and Other Heavy Industry	4	2.29%	
Financial Institution/Banking	15	8.57%	
Healthcare	6	3.43%	
Information Technology/Software Provider	5	2.86%	
Insurance	20	11.43%	
Manufacturing	25	14.29%	
Restaurant/Entertainment	5	2.86%	
Oil & Gas	23	13.14%	
Other (please specify)	55	31.43%	
Total Responses	**175**		**20% 40% 60% 80% 100%**

17. Which of the following best describes you?			
Responses	**Count**	**%**	**Percentage of total respondents**
CEO	2	1.15%	
CFO	7	4.02%	
COO	0	0%	
President	1	0.57%	
Vice President	36	20.69%	
Director or Manager of Tax	87	50.00%	
Government Affairs Professional	3	1.72%	
In-House Counsel	21	12.07%	
Other (please specify)	17	9.77%	
Total Responses	**174**		**20% 40% 60% 80% 100%**

Methodology

In January of 2009, Miller & Chevalier distributed a survey via e-mail to 2,553 leading corporate tax 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 178 respondents, representing a 7 percent response rate.

The survey was open from January 6 through January 16.

Due to rounding, all percentages used in all questions may not add to 100 percent. A few small edits were made to select verbatim responses to correct spelling and verb tense. A question asking for the location of respondents was omitted due to length, but is available by request.

Percentages added may exceed 100 on questions 3, 4, 5, 7, 8, 9 and 10 since a participant could select more than one answer to those questions.