Principles for Reforming the U.S. Tax Code

The Aerospace Industries Association, representing American aerospace and defense manufacturing companies, supports a tax code that enables business expansion and job growth, spurs innovation, and provides sufficient resources for the operations of government.

As this year’s discussion about tax reform has evolved, many legislators have focused on the desire to offset lost revenues from cuts to both corporate and individual income tax rates through additional revenue raising measures. AIA recognizes that there is more than one option for achieving revenue neutrality in tax reform, and therefore is open to a thorough discussion of those options in the tax reform principles agreed to by a consensus of our member companies.

These principles include:

- Creating a globally competitive corporate rate to make the U.S. more attractive for business investment.

- Enacting reforms in the most fiscally responsible way by putting all options on the table for Congress to choose from in offsetting rate cuts and by making tax changes permanent.

- Replacing the current worldwide tax base with a territorial tax system where U.S. companies owe tax only on domestic profits.

- Ensuring that revenue from tax changes is not diverted to pay for non-tax initiatives.

- Allowing the repatriation of accrued overseas income if coupled to a territorial system moving forward.