

November 27, 2017

The Honorable Mitch McConnell
Senate Majority Leader
317 Russell Senate Office Building
Washington, D.C. 20510-0001

Dear Majority Leader McConnell:

The Kentucky business community welcomes the tax reform discussions underway and greatly encourages the Senate to adopt sensible tax reform that improves the competitiveness of the United States while enabling Kentucky businesses to be more profitable and invest in new opportunities.

In the 2017 Kentucky General Assembly, the Commonwealth made historic progress by passing critical pro-business reforms such as right to work. The business community continues to work with state policy makers to adopt structural changes to the pension system and to Kentucky's tax code. Despite progress in Kentucky if we do not pass necessary tax reform at the federal level, an important piece of our pro-business puzzle will be missing.

We are pleased to see the U.S. House of Representatives pass federal tax reform and encourage the Senate to move forward with the same.

In expectation of progress being made, the Kentucky business community believes that:

- A lower corporate tax rate would better allow U.S. businesses to compete in today's globalized marketplace.
- The best means of achieving a more competitive tax system is through a reduction in the U.S. statutory corporate tax rate, currently the highest in the industrialized world.
- A lower corporate tax rate would benefit both domestic and multinational companies and would increase incentives to invest in the U.S., enhancing economic growth and benefitting American workers, consumers, and small businesses.
- A lower corporate tax rate will result in increased economic growth, but the Chamber recognizes budget responsibility and is willing to put all tax expenditures on the table to achieve a globally competitive rate.

Further, we recognize small businesses, which are critical to Kentucky's economy, are often organized as pass-through entities. We believe tax reform should also consider the tax burden of small businesses by simplifying the code and reducing costs to ensure small businesses do not incur a greater tax burden.

We welcome the continued discussion and encourage you to support federal tax reform to achieve the economic growth that has been Kentucky's potential for so long.

Thank you,

Kentucky Chamber of Commerce

Greater Louisville, Inc.

Commerce Lexington

Northern Kentucky Chamber of Commerce

Hardin Co. Chamber of Commerce

KYNDLE (Henderson Co. Chamber of Commerce)

Hazard Perry Co. Chamber of Commerce