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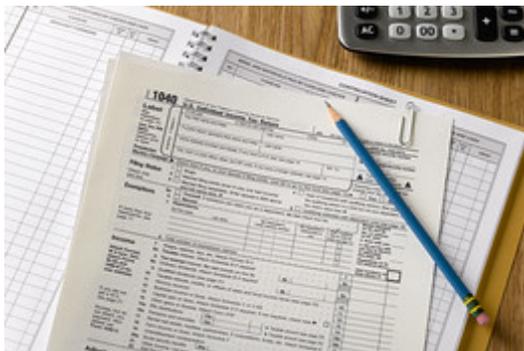
Tax Reform Is Very Much Alive and Doable

Closing special-interest loopholes will help lower rates and boost the economy.

By [MAX BAUCUS AND DAVE CAMP](#)

Every week Congress has been in session for the past two years, one of us has made the short walk across the Capitol to the other's office. We crowd into a room with our policy experts to chart a path to our mutual goal—comprehensive tax reform.

While we are from different political parties, we agree that America's tax code is broken. That is why we have been working together as the chairmen of Congress's two-tax writing committees to make it fairer for families and spark a more prosperous economy.



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The last overhaul of the tax code was more than a quarter century ago, and there is a need to get rid of its unnecessary complexity. Taxpayers spend more than six billion hours filling out documents to complete filings. They struggle to understand the rules, which amount to almost four million words. That is neither a productive use of time or resources. We can and must do better.

We've held more than 50 hearings and heard from hundreds of experts. The House Ways and Means Committee has released several discussion drafts on pieces of the tax reform puzzle and formed working groups so committee members can dive into the details of the code. The Senate Finance Committee is on a parallel track, reviewing discussion papers and collecting feedback from members and stakeholders.

In the coming weeks, we will give you the opportunity to provide your input as well. No need to travel to Washington. Through the use of social media, we will enable everyone to participate directly.

We are dedicated to writing bills in an open and transparent fashion. No cutting deals behind

closed doors. You get a say, employers get a say, and our colleagues—your representatives and senators—will get a say.

So, while we cannot provide you every detail of the bill today, we can commit to you that we are writing tax reform bills. We'll look to close loopholes like those used by some lawyers and celebrities to avoid paying the payroll tax on much of their earnings. We'll make sure that companies can't avoid paying tax on income they earn in the U.S. by pretending that they earned it in an overseas tax haven instead.

While we continue to develop the policies, we've agreed on three fundamental principles to ensure that tax reform grows and expands the economy.

The first is a boost for America's families. People don't mind paying their share as long as they know they're not getting the short end of the stick. Simplifying the code means regular families will be on a level playing field with those who can afford high-price tax advisers.

We've agreed that tax reform should result in a system that is as progressive as the current one. Tax reform will close special-interest loopholes to help lower rates. We will ensure that low-income and middle-income Americans will pay no more taxes than they do under current law.

The second principle is to level the playing field for U.S. employers. The current U.S. corporate tax rate is the highest in the world. Yet in recent years, some of America's largest corporations have paid zero tax. The current system picks winners and losers and puts the U.S. companies at a disadvantage in the global economy, a situation that hurts job creation. Tax reform must make our companies more competitive in the global economy.

The third principle is parity for small businesses. As a Montanan and a Michigander, we know that small businesses are the heart of most communities and of the American economy. We will work to ensure that any tax reform plan does as much to help a small family business create jobs and compete as it does for a large company.

There are skeptics who question the prospects for bipartisan tax reform. We know we face some fierce headwinds. People from across the spectrum are trying to turn tax reform into a political weapon, which could end up killing any chance at success.

We can't let that happen. Tax reform can't be about politics. It has to be about the people we serve, about boosting the economy, about creating jobs in Montana, Michigan and across America. It has to be about restoring some trust in the process of government.

Our many short walks to each other's offices have practically worn a path in the marble floors of the U.S. Capitol. Yet they serve as a reminder that through hard work and perseverance, you can wear down even the hardest of stones.

Mr. Baucus (D., Mont.) is chairman of the Senate Finance Committee. Mr. Camp (R., Mich.) is chairman of the House Committee on Ways and Means.

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