

Grover Norquist: Obama Has Done 'Nothing' on Tax Reform

By Dan Weil
July 25, 2014

President Barack Obama has received some fierce criticism for mounting a charge against tax inversions rather than fighting for corporate tax reform.

Count Grover Norquist, president of American for Tax Reform, as one of the critics.

He and other think the focus should be cutting the 35 percent maximum corporate tax rate, one of the highest in the developed world, rather than combatting tax inversions.

Under the inversions, U.S. companies purchase a foreign one and then move their headquarters to the foreign company's home to garner a lower tax rate.

Perhaps the most prominent example is U.S. pharmaceutical giant AbbVie's agreement earlier this month to buy U.K. competitor Shire for \$54 billion, the biggest takeover so far this year.

"It's the president's fault that he has done nothing in five years to reduce corporate rates, which he has said he was going to do," **Norquist told CNBC.**

He's not impressed with the approach of Obama and his Democratic allies. "They will only do corporate tax reform if it's a trillion dollar tax increase."

Chris Edwards, tax policy director at the Cato Institute, also sees tax reform as the answer.

"The solution to the inversion problem is the same as for our economic growth problem: cut the corporate tax rate," **he writes in The New York Times.**

"The good news for policymakers — as Canada has shown — is that federal coffers won't be drained with such a reform, and may even gain from it."