



U.S. With Highest Corporate Tax Rate

By: Daniel Horowitz - October 10th, 2012

Well, it's official. The socialist country of [Sweden plans to cut its corporate tax rate](#) from 26.3% to 22% to improve prospects for new jobs and investment. So where does America – the beacon of freedom – stand in the rankings of corporate tax rates? We're dead last among industrialized nations, checking in at 35% with another 5% on average for state taxes.

Yes, we all know about General Electric and other Obama crony companies that don't pay any taxes, but in the real world, most American businesses incur the highest tax rate in the world. And that burden is passed down to the taxpayers. This is yet another forgotten and hidden tax on the 47% who don't pay personal income taxes.

Last month, the [Cato Institute published a study](#) analyzing corporate tax rates of 90 countries, including the 34 members of the Organization for Economic Cooperation and Development (OECD). Here are some of their key findings:

- The marginal effective tax rate (METR) for U.S. corporations is 35.6%. The METR includes corporate income taxes, sales taxes on capital purchases, and other capital-related taxes such as financial transaction taxes and asset-based taxes. On the other hand, the calculation also takes into account deductions and credits, such as deductions for capital depreciation, inventory costs, and interest expenses.
- The only countries that have slightly higher corporate tax rates are Argentina, Chad, and Uzbekistan. The US has the highest rate among OECD nations.
- The average rate for the 34 (OECD) nations is just 19.4%.
- While the U.S. corporate tax rate has remained high, the global trend for both statutory and effective corporate tax rates has been downward.
- Despite the high statutory rates, we don't even collect much revenue from the corporate tax because the high rates induce businesses to shift their investments and profits abroad.

Obama has promised every year to lower the corporate tax, but he has not lifted a finger to get the ball rolling. Romney must relentlessly assail Obama on his failure to deliver corporate tax relief.