

# Think the U.S. corporate tax rate doesn't matter?

Posted on September 8, 2011 at 7:04 am

A new *Bloomberg Businessweek* [article](#) downplays the significance of the United States maintaining a top corporate tax rate of 35 percent.

*And while it's true on paper that the U.S. top marginal rate of 35 percent is one of the highest anywhere in the world, the actual gap is often considerably smaller, thanks to the myriad tax breaks that companies can use. In fact, the U.S. has a lower overall tax burden measured as a percentage of GDP than all but three of the 33 major industrialized countries (Chile, Mexico, and Turkey) included in a study by the Organization for Economic Co-operation and Development. In 2008, the U.S. collected federal, state, and local taxes equivalent to 26.1 percent of total economic output, quite modest by international standards, the OECD data show.*

For another perspective, one which attaches more importance to the notion of establishing a more competitive corporate tax rate, check out Cato Institute expert [Chris Edwards' work](#).

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