

# Tax Reform & Regulatory Relief

*Accelerate Economic Growth and Balance the Federal Budget without Slashing Essential Services*

## RECOMMENDED ACTIONS

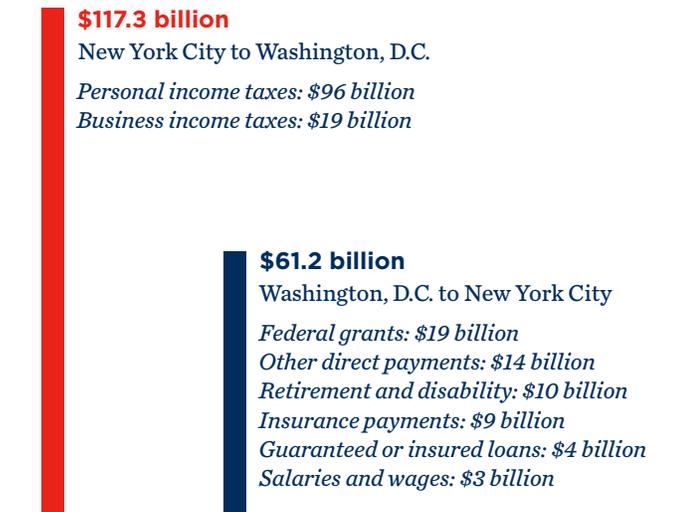
↓  
Provide more incentives for research and innovation

↓  
Restore deductibility of state and local taxes from personal income tax obligations to reflect high costs and outsize contributions of nation's most productive urban centers

↓  
Survey employers to identify regulations that unnecessarily add to costs, discourage investment and inhibit job creation

**Figure 2**

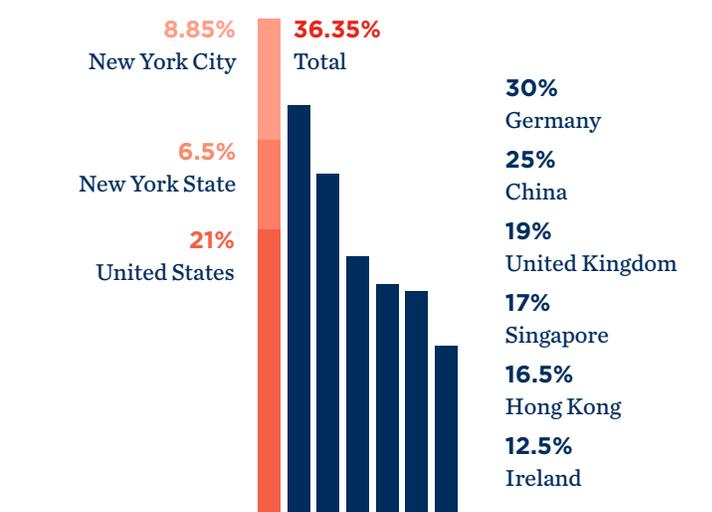
*New York City is a large net contributor to the federal budget (2015).*



\$56.1 billion balance of payments deficit

**Figure 3**

*New York City corporate taxes are the highest in the developed world (2019).*



Does not account for the deductibility of state and local taxes in the United States. Reflects highest tax brackets.

# U.S. tax policy for research and development is still relatively basic compared to our competitors.



## United States

Research & Development (R&D) tax credit equal to either 14 percent or 20 percent of total qualified research expenses depending on the calculation method applied



## Canada

Scientific Research and Experimental Development tax deductions, investment tax credits for capital and R&D costs



## China

Super deduction (150 percent) of R&D expense, rate reductions for “high and new technology,” Value Added Tax (VAT) exemptions



## France

R&D tax credit, innovation grants, accelerated depreciation for fixed assets used in R&D, patent box and innovation tax credits for small- and medium-sized enterprises (SMEs)



## Singapore

Productivity and Innovation Credit Scheme (250 percent/300 percent deductions on S\$400,000 expenses per year for R&D activity)

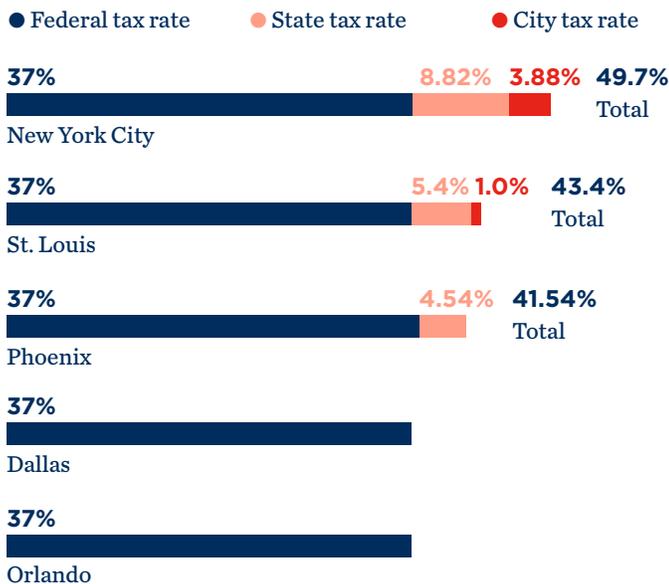


## United Kingdom

Patent box, R&D tax credits (super deductions for SMEs) and investor tax relief in early-stage businesses

**Figure 4**

*New York City has higher personal income tax rates than other major U.S. cities (2019).*



*Does not account for the deductibility of state and local taxes in the United States. Reflects highest tax brackets.*