

MYTH -VS- FACT

SETTING THE RECORD STRAIGHT ON THE BORDER ADJUSTMENT TAX

Increased Costs for Consumers and
Job Losses For The Middle-Class

MYTH: The Border Adjustment Tax will lower costs for consumers.

FACT:



The tax will mean the average family would have to spend over **\$1,700 more** upon passage of the legislation for everyday essential such as **food, gas, medicine, clothing, electronics and home-goods**. Gas prices alone could rise up to 35 cents a gallon, which means Americans could be spending an additional \$35 billion a year at the pump.

MYTH: The Border Adjustment Tax will create more U.S. jobs.

FACT:



Wrong. Jobs will be cut and unemployment could soar to 11 percent under this proposal. This tax will have a disproportionately negative impact on U.S. retailers who represent one in four jobs in America—that's 42 million jobs. Businesses who import goods would be forced to downsize or close, as their tax bill would far exceed the costs that American consumers could reasonably pay.

MYTH: We do not support U.S. manufacturing or manufacturing jobs.

FACT:



We support buying American-made goods and manufacturing in America at every opportunity. The global economy supply chains are essential to giving consumers the products they need at prices they can afford. But some products are in short supply or simply cannot be made here in the United States. We rely on the global market to keep these necessities on the shelves at a price that all Americans can afford.

SETTING THE RECORD STRAIGHT ON THE BORDER ADJUSTMENT TAX

MYTH: The Border Adjustment Tax will strengthen the U.S. dollar.

FACT:



According to economists, it is unlikely that the dollar will strengthen or appreciate as much as proponents have argued. They might like to believe that this proposed tax would simply increase demand for exports, and decrease demand for imports, but the reality is, there are essential products like food and clothing that are imported. The end impact would be inflation and higher costs for consumers.

MYTH: The Border Adjustment Tax will help offset the costs of tax reform and help grow the economy for the middle-class.

FACT:



Middle-class Americans would foot the \$1-trillion bill over the next 10 years, while Congress gives a huge tax cut to highly-profitable companies who already manipulate the U.S. tax code to pay no taxes.

MYTH: We are opposed to tax reform.

FACT:



False. We are in favor of tax reform, but it should not be at the expense of or on the backs of American consumers. We believe in lowering corporate rates but Congress should pay for it by cutting spending.

MYTH: The Border Adjustment Tax will ensure that American-made products have better access in the global economy.

FACT:



Other countries are likely to file claims with the World Trade Organization and retaliate by imposing additional taxes or countervailing duties on these products, making them less attractive and affordable in the global economy.