



## Working for Women: Tax Reform

Tax reform offers an extraordinary opportunity to help women succeed in today's economy. Our burdensome tax system slows our economy, reducing job creation and wage growth for women.

Pro-growth policies that lower taxes for workers and business owners and simplify the tax code will provide much-needed relief. Women are breadwinners and often manage the household budget, so they are acutely aware of how every dollar counts for themselves and their families. Female-owned businesses can reinvest tax savings in the economy and generate new jobs.

It's time for Washington to help women and families get ahead and craft the lives they want by allowing them to keep more of what they earn and giving them greater control over their resources.

## Tax Policy is a Women's Issue

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- As women's earnings increase, so does their tax burden.
  - Women comprise 47 percent of the U.S. workforce.
  - Women are breadwinners in 40 percent of U.S. homes.
  
- Women manage household budgets.
  - Women make decisions about housing, health care, education, and other expenses for their families. They are acutely aware of the cost of living and how every dollar counts.
  
- Women-owned businesses (WOB) are on the rise.
  - 9.1 million WOB in the U.S. generate \$1.4 trillion in annual revenues (as of 2014).
  - WOB account for 31 percent of all privately-held firms and contribute 14 percent of employment.
  - In recent years (1997-2014), the number of women-owned businesses has increased at a rate 1.5 times the national average.

# Working for Women: Proposed Tax Changes

IWF's Working for Women Agenda proposes reforms to the tax code to benefit women in the workforce and society. Here's how the House tax reform bill currently under consideration matches up with our proposal:

## Working for Women: Reform the Tax Code to Reduce Burdens on Families and Businesses

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✓ ***GOP House bill:*** Simplify the tax code by eliminating most deductions and loopholes.

- Americans today spend incredible resources—6 billion hours/\$195 billion annually—just complying with the tax code, now 2,650 pages with more than 70,000 forms/guidance.
- 90 percent of Americans need professional help to do their own taxes.
- The average American devotes approximately 27.5 hours preparing a tax return.

✓ ***GOP House bill:*** Increase the standard deduction to \$12,000 for single filers and \$24,000 for married filers.

✓ ***GOP House bill:*** Reduce the current corporate tax rate from 35 percent to 20 percent.

✓ ***GOP House bill:*** Limit tax rate on small and family-owned businesses to 25 percent.

- Reducing tax rates could create **1.7 million new jobs** over the next ten years and raise wages by nearly **8 percent**.
- The Council of Economic Advisors estimates household incomes may rise \$4,000 a year.

## Working for Women: Fix Tax Brackets to Make Work Pay for More Women

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✓ *GOP House bill:* Reduce the number of tax brackets for individuals from seven to four: 12 percent, 25 percent, and 35 percent, and 39.6 percent.

- Estimates of the proposed plan found that the typical middle-class family would **save about \$1,000 each year on taxes**.

## Working for Women: Increase Tax Credits for Children

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✓ *GOP House bill:* Expand the Child Tax Credit to \$1,600 and establish a new \$300 credit for each tax filer, spouse, and non-child dependent.

✓ *GOP House bill:* Preserve the Child and Dependent Care Tax Credit and the Earned Income Tax Credit.

✓ *GOP House bill:* Streamline higher education benefits to help families save for college and other education expenses.

For more information about the agenda, visit **[workingforwomenreport.com](http://workingforwomenreport.com)**. For more information about the Independent Women's Forum, visit **[iwf.org](http://iwf.org)**.