



# TaxNewsFlash

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### **JCT report on tax reform, in advance of Ways and Means' tax reform hearing**

The Joint Committee on Taxation (JCT) today released a report that, according to a JCT release, provides an overview of economic growth and the effect that taxes may have on economic growth in advance of this week's hearing by the House Ways and Means Committee.

The JCT report—*Economic Growth and Tax Policy* (JCX-19-17)—was prepared for the committee's public hearing on tax reform, scheduled for Thursday, May 18, 2017. As reported by today's JCT release, the JCT report:

- Describes four principal determinants of economic growth that tax policy may be able to influence—labor supply, physical capital (e.g., equipment, buildings, and infrastructure), human capital (e.g., education and health), and technological progress (i.e., improvements in how labor and capital can be combined to produce goods and services)
- Discusses each of the determinants and describes how lawmakers can create tax policy that can directly influence the level of labor supply, physical capital, human capital, and technology in an economy by changing the after-tax returns to certain economic activities or changing the cost of pursuing such activities thereby affecting economic growth and efficiency
- Provides historical data on growth in productivity, real gross domestic product (GDP), the labor force and changing labor force participation rates, and in workers' real compensation per hour

Read the JCT report: [JCX-19-17](#)

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