



# TaxNewsFlash

## United States

No. 2017-364  
September 6, 2017

### President calls for tax reform, territoriality in speech in North Dakota

President Trump today in a speech given in Bismarck, North Dakota, said that passing tax cuts and tax reform would give the United States a competitive edge in the global market and would rebuild the economy and create more jobs.

The president said that the U.S. tax code was outdated and that it was a “massive barrier” to the growth of the U.S. economy. He said that there would be more details coming “in the next two weeks.”

Trump reiterated the following points for tax reform:

- Providing a tax code that is simple, fair, and easy to understand, and allowing some 90% of workers to file a “single page” tax return
- Cutting taxes for middle class families—with lower tax rates, and increased standard deduction and child tax credit
- Cutting the corporate income tax rate as much as possible but “ideally” a rate of around 15%
- Providing a special tax rate on income earned by small businesses
- Repatriating foreign earnings “parked” overseas
- Moving to a territorial system of taxation (and ending the current worldwide system)
- Repealing the estate tax

#### KPMG observation

The president explicitly called for a shift to a territorial system of taxation—something the “Big Six”<sup>\*</sup> did not clearly do in their statement of agreed upon principles released in July. Read [TaxNewsFlash-Tax Reform](#)

\*House Speaker Paul Ryan (R-WI), House Ways and Means Committee Chair Kevin Brady (R-TX), Senate Majority Leader Mitch McConnell (R-KY), Senate Finance Committee Chair Orrin Hatch (R-UT), National Economic Council Chair Gary Cohn, and Treasury Secretary Steve Mnuchin

The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to be applied to any specific reader's particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)