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February 24, 2012

Dear FPA Member Colleague:

In FPA's ongoing effort to keep you informed of key policy measures in Washington, D.C. that can affect you and your clients, we want to share the latest information on tax reform and hear your feedback as well.

On February 22, 2012, the White House and U.S. Treasury Department released a [Framework for Business Tax Reform](#) aimed at making the federal corporate statutory rate competitive with major U.S. trading partners; creating incentives to promote domestic manufacturing; overhauling international tax rules; and simplifying and cutting taxes for small businesses.

The Framework recommends broadening the base by ending most credits and deductions and lowering the federal corporate rate from 35 to 28 percent. The document contains few specifics about what to cut, but an extensive list from an earlier analysis by the U.S. Joint Committee on Taxation can be found [here](#).

As details become available, FPA will be assessing the impact of any proposals. While most of focus of the Framework is on C-corporations, the base-broadening provisions and reforms could remove credits and deductions used by passthrough entities as well, though without the benefit of a lower rate. FPA has been educating policymakers about the potential punitive treatment of passthroughs since the Treasury Department floated this proposal in early 2011.

Outlook

The Framework's release was delayed for over a year and does not provide legislative language. House Republicans are working on their own tax reform proposals. Passage of either party's proposals this year is very unlikely. The President's Framework is best viewed as a blueprint for what he would like to accomplish in a potential second term.

We want to hear from you

There are two easy ways for you to share your thoughts:

- Take our quick online survey by clicking [here](#); or
- FPA Connect: [Log in here](#) to share your opinions and follow what other professionals are saying in our online Public Policy – Planners Making a Difference community.

Sincerely,

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