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KPMG Study Finds U.S. Corporate Tax Rate Higher Than Every Global Region

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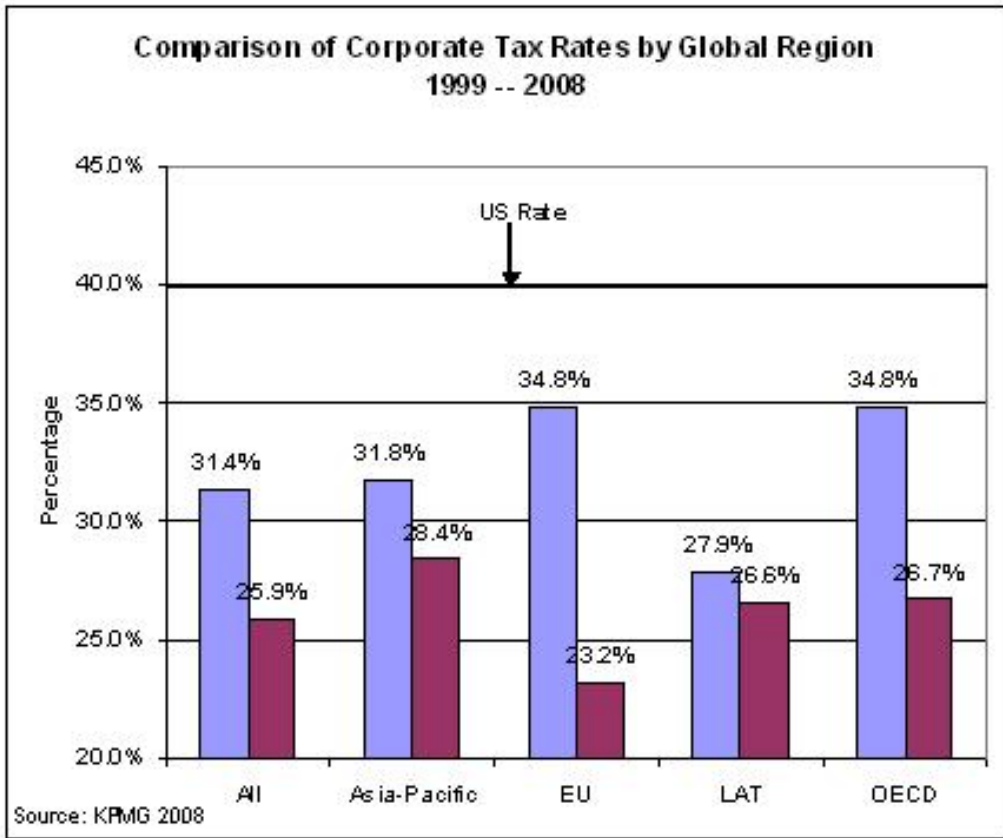
The accounting firm KPMG has released its annual survey of corporate and indirect tax rates for 2008, and what it says about America's tax competitiveness is not good. The survey shows that the U.S. continues to have one of the highest overall corporate tax rates in the world. Of the 106 countries surveyed, only The United Arab Emirates (55 percent), Kuwait (55 percent), and Japan (40.69 percent) impose a higher corporate tax rate than the combined rate of 40 percent in the U.S.

According to the KPMG report:

...the most remarkable result of our 2008 survey is that we have found no country anywhere that has raised its rate since last year. The global average is, once again, down nearly a full point to 25.9 percent with the EU average down to 23.2 percent, the Latin American rate down half a point to 26.6 percent, and the Asia Pacific rate down 0.8 percent to 28.4 percent.

The survey indicates that 23 countries have lowered their corporate tax rates this year including Canada, China, Columbia, the Czech Republic, Denmark, Germany, Hong Kong, Israel, Italy, Malaysia, New Zealand, Singapore, South Africa, Spain, Switzerland, and the United Kingdom.

As the chart below shows, the U.S. rate was higher than all other global regions in 1999 and the difference is even more dramatic today. According to KPMG's figures, the U.S. rate is now 14.1 percentage points higher than the global average and nearly 17 percentage points higher than the average among European Union countries.



For more information, download *KPMG's Corporate and Indirect Tax Rate Survey 2008* at: <http://www.kpmg.lu/Download/Surveys/2008/corporateandindirecttaxratesurvey2008.pdf>.

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