

7 Reasons the

Border

Adjustment

Tax is BAD



#1 BAT is BAD Tax Policy That Would Hurt Families and Small Businesses and Destroy Jobs

It's a new \$1 trillion tax that would hurt working families and the companies they rely on for everyday goods.

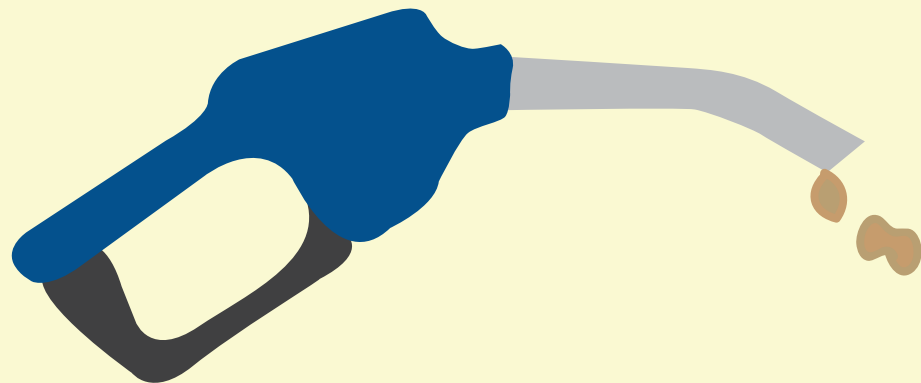
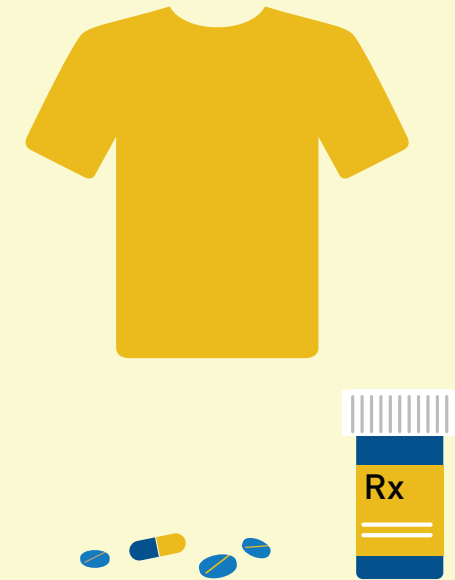


#2 BAT Would Cost the Typical Family up to \$1,700 a Year



20 % higher prices on necessities like...

food	clothing
gas	prescription medicines



A gallon of gasoline would cost up to 35 cents more.

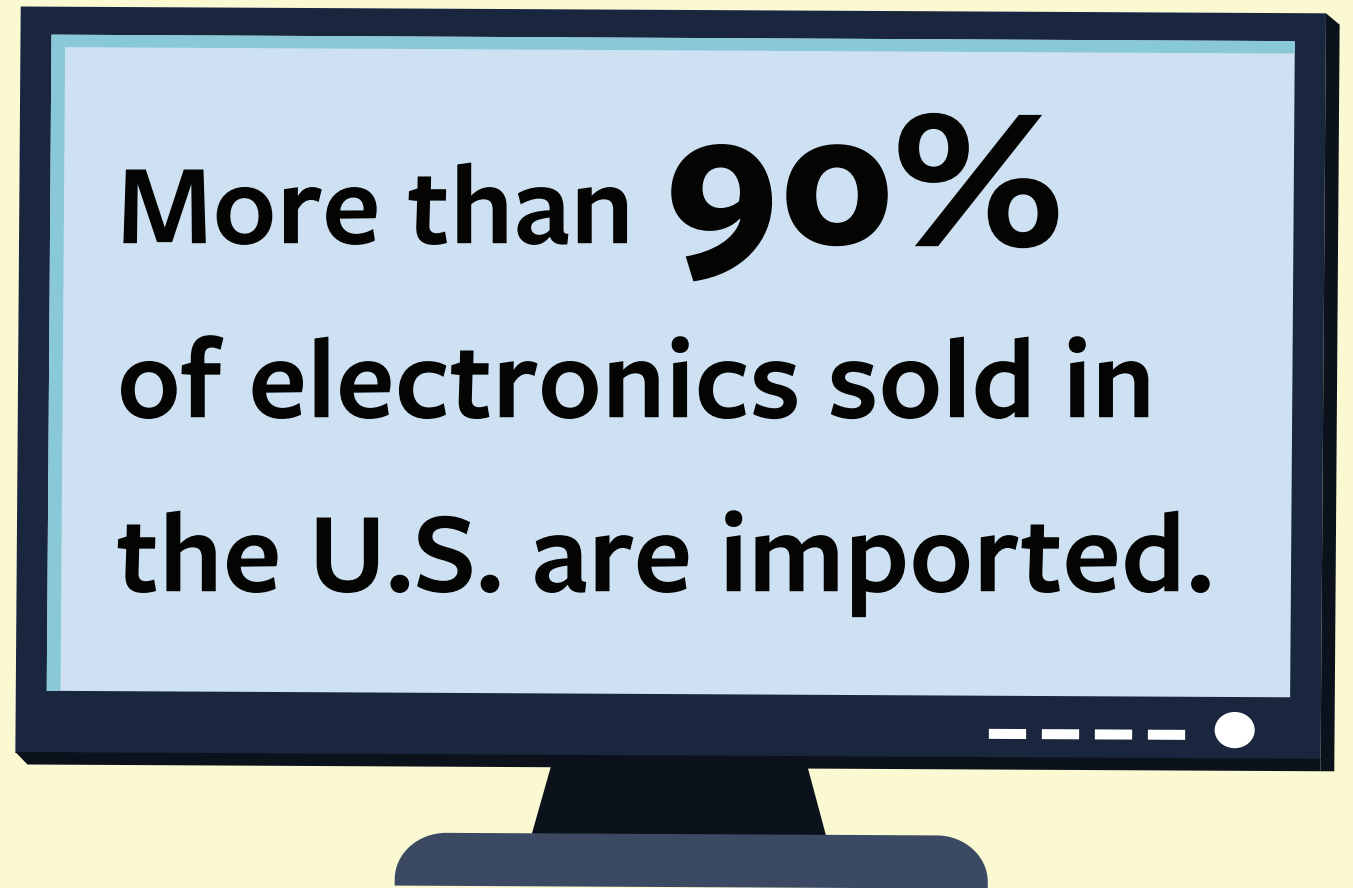
Sources: ("Border Adjustment Tax Would Cost American Households Up to \$1,700 In First Year Alone," National Retail Federation, 2/03/2017)
"Border Taxes & Gas Prices," Goldman Sachs Global Investment Research, Specialist Commentary, 1/25/17

#3 BAT is Really BAD for Retail

Retailers rely heavily on imports to provide the products consumers want at prices they can afford.



97%
of all
clothing
and
footwear
are imported.



More than **90%**
of electronics sold in
the U.S. are imported.

Source: American Apparel & Footwear Association

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#4 BAT is BAD for Workers



- The BAT would force retailers to increase prices AND eliminate jobs.
- Retail supports 42 million jobs, provides \$1.6 trillion in labor income and contributes \$2.6 trillion annually to U.S. GDP.

Source: "The Economic Impact of the U.S. Retail Industry," National Retail Federation and PricewaterhouseCoopers, September 2014

#5 BAT is BAD for Small Business



Retailers could face a tax bill **three to five times larger** than their profits. This would mean that the million-plus small retail companies in the U.S. could be forced to lay off employees or even close their doors.

Source: NRF Taxation Committee Survey, November 2016.

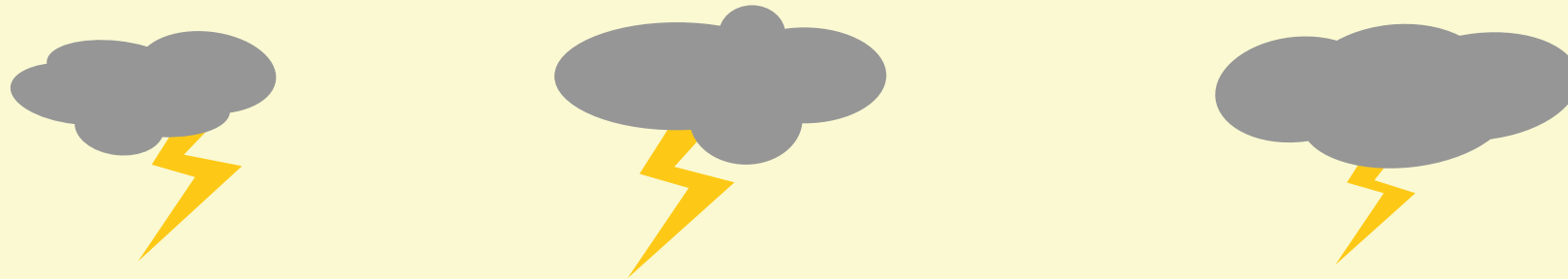
#6 BAT is a Huge Tax Giveaway to Companies That Don't Need It

The BAT would reward multinational corporations — many already taking advantage of massive tax loopholes — with an even bigger tax cut, potentially reducing their tax liabilities to zero.

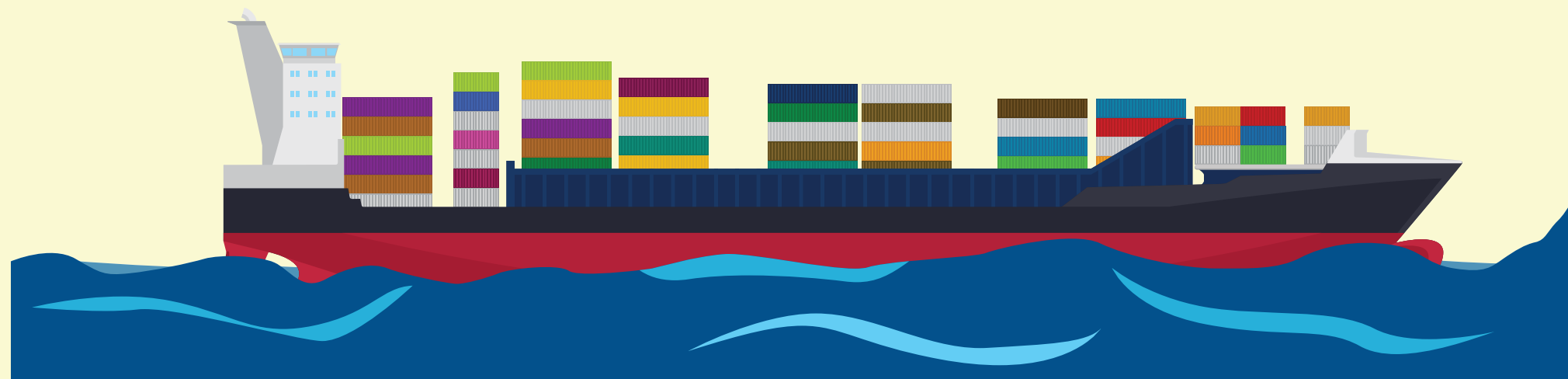


Source: Michael D Zezas, Todd Castagno, Mark T Schmidt, Spencer Chang & Sneha Mogre, “Taxes: Knowing Is Half the Battle,” Morgan Stanley & Co., 12/15/16

#7 BAT is BAD for Trade



The BAT would throw sand in the gears of international trade. Retailers rely on a global supply chain to provide consumers with the diverse products they want at prices they can afford.



NRF Supports Comprehensive Corporate Tax Reform, but BAT is a Poison Pill



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NRF strongly supports tax reform since retailers pay among the highest effective tax rates of any industry but the BAT is a huge step in the wrong direction.