

Proposed U.S. Border Tax Shelved

July 27, 2017

A proposal to use a border-adjusted tax to discourage companies from manufacturing products overseas has been dropped because it doesn't have enough support, Republican leaders in Washington, D.C. have announced.

At least one fleet management company executive welcomed the news.

"As the U.S. already has corporate tax rates among the highest in the world, it's a relief to know the proposed border tax is now off the board," said Tom Coffey, vice president of sales and marketing with Merchants Fleet Management. "It certainly would have had a detrimental impact on North America fleet vehicle prices. Hopefully it will not reappear anywhere else under a different name as a new tax on corporations or individuals."

The plan has been set aside by a group of Republican leaders that includes House Speaker Paul Ryan (R-Wis.), Senate Majority Leader Mitch McConnell (R-Ky.), Treasury Secretary Steve Mnuchin, White House economic advisor Gary Cohn, House Ways and Means Committee Chairman Kevin Brady (R-Calif.), and Senate Finance Committee Chairman Orrin Hatch (R-Utah), reports [Reuters](#).

The group issued a statement saying that the tax would not be part of an effort to reform the tax code.

The decision benefits large importers, including a group of automakers such as Toyota Motor Co. that lobbied against the tax. In February, President Donald Trump said the border tax would create more jobs in the U.S.

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