

Macro Roundup Article

Headline: [Who Pays Corporate Taxes? Look in the Mirror](#)

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Summary: Corporate tax rates, which were the driving force behind the permanent part of the 2017 tax cuts, receive less attention than individual income-tax rates only because Americans don't understand that corporations don't pay taxes. A corporate entity is a "pass through" legal structure—a piece of paper in a Delaware filing cabinet. When the corporate tax rate increases, corporations try to pass the cost on to consumers. To the degree that the entire cost of the tax increase can't be passed on to consumers, those costs are borne by employees and investors. Most economic studies conclude that 50% to 70% of a corporate tax increase not passed on in higher prices is borne by workers, while 30% to 50% is borne by investors. Who owns American corporations? According to Tax Notes, 72% of the value of all domestically held stocks is owned by pension plans, 401(k)s, individual retirement accounts and charitable organizations, or held by life insurance companies to fund annuities and death benefits.

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Primary Topic: Taxation

Topics: Database, Fiscal Policy, Op-Ed/Blog Post, Politics, Taxation

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