

Press Releases

ICBA White Paper Presents Principles for Tax Reform

Aug 22, 2017



Washington, D.C. (August 22, 2017)—The Independent Community Bankers of America® (ICBA) today released “ICBA Principles for Tax Reform,” a white paper detailing the association’s principles and recommendations for reforming the nation’s tax code. ICBA supports tax reform and urges Congress to modernize and simplify a complex and inefficient tax system. ICBA is calling on policymakers to enact tax reform measures that will strengthen communities, promote local economic growth and spur job creation nationwide.

“Our nation’s tax code impacts the strength of our economy and tax reform will require important and fundamental choices about our economic future. The goal of ICBA’s tax reform white paper is to help clarify the choices that lie ahead,” said ICBA President and CEO Camden R. Fine. “The views and recommendations set forth in the paper were developed with input from community bankers nationwide. Their unique perspective on tax reform in this debate is centered on strengthening the community bank-small business partnership, which is the foundation of local economic growth and prosperity.”

Given community banks’ critical role in providing credit to consumers, small businesses, farmers and ranchers, ICBA is particularly committed to maintaining the interest deduction for these borrowers. “The use of debt financing and the business interest deduction helps create local businesses and fuels their growth, creating jobs and economic empowerment at the community level,” Fine said. See ICBA’s multiplier effect INFOGRAPHIC.

As Congress works on this important issue, ICBA encourages policymakers to review these community bank tax reform proposals, which would create an environment for economic growth and prosperity for future generations. They include:

allowing businesses to continue to fully deduct interest expense as an ordinary and necessary cost of doing business, since changes could negatively impact the livelihood of small businesses, farmers and ranchers,

providing parity in the taxation of financial services providers, such as tax-exempt credit unions and Farm Credit System (FCS) lenders who are multibillion dollar entities and expanding their presence in markets that taxpaying community banks traditionally serve,

modernizing Subchapter S of the tax code to better allow community banks to raise capital,

lowering the marginal tax rates on individuals along with C-corporation and S-corporation businesses,

repealing the estate tax as it endangers the intergenerational transfer of many community banks and small businesses served by community banks, and

preventing new taxes or fees specifically targeting the commercial banking sector or their customers, as sector-specific taxes distort the market and generate counterproductive outcomes.

To view ICBA's Tax Reform White Paper in full, [click here](#).

About ICBA

The Independent Community Bankers of America®, the nation's voice for more than 5,800 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education and high-quality products and services. For more information, visit ICBA's website at www.icba.org.

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