

— **McCain** —

Jobs_{for} America

THE MCCAIN ECONOMIC PLAN



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Immediate Relief for American Families

Gas and Food Prices

John McCain will help Americans hurting from high gasoline and food costs. Americans need relief right now from high gas prices. John McCain will act immediately to reduce the pain of high gas prices.

- John McCain believes we should send a strong message to world markets. Under his plan, the United States will be telling oil producing countries and oil speculators that our dependence on foreign oil will come to an end - and the impact will be lower prices at the pump.
- John McCain's policies will increase the value of the dollar and thus reduce the price of oil. In recent years, the declining value of the dollar has added to the cost of imported oil. This will change. Americans will have a stronger economy, a stronger dollar and greater purchasing power for oil, gas and food.
- John McCain believes we should institute a summer gas tax holiday. Hard-working American families are suffering from higher gasoline prices. John McCain called on Congress to suspend the 18.4 cent federal gas tax and 24.4 cent diesel tax from Memorial Day to Labor Day.

Reuters: Gas Tax Holiday "Of Most Immediate Effect To Consumers." "Of most immediate effect to consumers was his appeal to the U.S. Congress to suspend the 18.4 cent federal gas tax and 24.4 cent diesel tax from Memorial Day at the end of May to Labor Day in early September." (Steve Holland, "McCain Proposes Tax Cuts And Lashes Democrats," Reuters, 4/15/08)

- USA Today: "A USA TODAY Analysis Showed That McCain's Gas-Tax Proposal Could Save Motorists \$6.8 Billion In Taxes During The Summer." (Kathy Kiely, "Gas-Tax Holiday Among McCain's Plans For Economy," USA Today, 4/16/08)
- John McCain will repeal the 54 cents per gallon tax on imported sugar-based ethanol, increasing competition, and lowering prices of gasoline at the pump.
- John McCain will roll back corn-based ethanol mandates, which are contributing to the rising cost of food.

Home Plan

John McCain believes there is nothing more important than keeping alive the American dream of owning a home. Priority number one is to keep well-meaning, deserving home owners who are facing foreclosure in their homes.

John McCain's approach to helping sub-prime or other financially strapped mortgage borrowers is built on sound principles:

- No taxpayer money should bail out real estate speculators or financial market participants who failed to perform due diligence in assessing credit risks. Any assistance for borrowers should be focused solely on homeowners and any government assistance to the banking system should be based solely on preventing systemic risk.
- Any policy of financial assistance should be accompanied by reforms that promote greater transparency and accountability to ensure we never face this problem again.

John McCain has proposed a new "HOME Plan" to provide robust, timely and targeted help to those hurt by the housing crisis. Under his HOME Plan, every deserving American family or homeowner will be afforded the opportunity to trade a burdensome mortgage for a manageable loan that reflects their home's market value.

- **Eligibility:** Holders of a sub-prime mortgage taken after 2005 who live in their home (primary residence only); can prove creditworthiness at the time of the original loan; are either delinquent, in arrears on payments, facing a reset or otherwise demonstrate that they will be unable to continue to meet their mortgage obligations; and can meet the terms of a new 30 year fixed-rate mortgage on the existing home.
- **John McCain's HOME Plan Will Keep 200,000 To 400,000 Families From Losing Their Homes.** "But at the same time, McCain is calling for aggressive federal action to help keep 200,000 to 400,000 families from losing their homes. That plan has many of the elements of a proposal by Rep. Barney Frank, D-Mass., and Sen. Chris Dodd, D-Conn., requiring participating lenders to forgive part of the loan principal and then write a new loan that would be backed by the federal government through the Federal Housing Administration." (Tom Raum, "Everyone's Invited: McCain Economic Plan Draws From Both Parties," Tucson Citizen, 4/17/08)

How It Works: Individuals pick up a form at any Post Office or download the form over the Internet and apply for a HOME loan. The FHA HOME Office certifies that the individual is qualified, and contacts the individual's mortgage servicer. The mortgage servicer writes down and retires the existing loan, which is replaced by an FHA guaranteed HOME loan from a lender.

- John McCain will bolster groups like Neighborworks America that provide mortgage assistance to homeowners in their communities.

Keeping The Credit Crunch From Hurting College Students

John McCain is proposing a student loan continuity plan. Students face the possibility that the credit crunch will disrupt loans for the fall semester. John McCain calls on the federal government and the 50 governors to anticipate loan problems and expand the lender-of-last resort capabilities for each state's guarantee agency.

Workplace Flexibility in a Changing Economy

Workplace Flexibility and Choice

John McCain understands that today's changing economy is making it harder for parents to balance the demands of family life and their jobs. He believes that strong families require that parents be involved in the lives of their children. Flexible work arrangements can help families strike the right balance.

John McCain was proud to support the Family Medical Leave Act in 1993 that ensured men and women are able to take leave to care for a newborn child, adopt a child or care for an immediate family member with a serious health condition and return to a position that is substantially equal in pay, benefits, and responsibility. This was a needed minimum standard to ensure that parents were not penalized for making the important decision to raise a family.

John McCain co-sponsored the Family Friendly Workplace Act, which sought to allow employers to provide flexible work schedules to help employees balance the demands and needs of work and family, such as allowing employees to take compensatory time-off rather than be paid overtime and to work more than 40 hours in one week and correspondingly less in another week.

John McCain also understands that our changing economy forces many families to deal with the disruptions that come with a job change. He believes that families should be able to hold onto the health and retirement benefits that they have chosen. He also believes that workers should be able to choose new training that fits their personal situation so that they can build new skills as their careers change.

John McCain believes that to keep America competitive in the world economy, employers need to be able to attract and retain workers. This requires employers to offer flexible work arrangements and allow workers to bring their health and retirement benefits with them or choose new plans.

John McCain also believes that as our workforce ages, many older Americans want to continue to stay in jobs. These workers have the experience and skills that help keep America competitive. More flexible work arrangements would enable these workers to continue their careers and help keep our economy competitive.

John McCain is calling for National Commission on Workplace Flexibility and Choice. This Commission would bring together a bi-partisan set of leaders representing workers, small and large employers, labor, and academics. The Commission would make recommendations to the President on how modernizing our nation's labor laws and training programs can help workers better balance the demands of their job with family life and to enable workers to more easily transition between jobs.

The Commission would examine the following issues that John McCain believes are important to workplace flexibility and choice:

- Modernizing the nation's labor laws so that they allow for more flexible scheduling arrangements

- Ensuring that the nation's labor laws don't get in the way of working at home
- Promoting telework so that workers can spend less time commuting
- Making health more portable so that workers don't lose their benefits when they switch jobs
- Ensuring that workers can choose retirement plans that best suit their needs
- Providing workers with more choice in job training assistance so that they can build the skills they need for new and better jobs

Reforming Washington to Regain the Trust of Taxpayers

Bring The Budget To Balance By 2013

John McCain will balance the budget by the end of his first term. The near-term path to balance is built on three principles:

- Reasonable economic growth. Growth is an imperative - historically the greatest success in reducing deficits (late 1980s; late 1990s) took place in the context of economic growth.
- Comprehensive spending controls. Bringing the budget to balance will require across-the-board scrutiny of spending and making tough choices on new spending proposals.
- Bi-partisanship in budget efforts. Much as the late 1990s witnessed bipartisan efforts to put the fiscal house in order, bi-partisan efforts will be the key to undoing the recent spending binge.

In the long-term, the only way to keep the budget balanced is successful reform of the large spending pressures in Social Security, Medicare, and Medicaid.

McCain Policies Will Support Reasonable Economic Growth: Small business is the key to job growth. Small business will benefit from:

- Low individual tax rates - sole-proprietorships, partnerships, landlords and others are taxed under the individual income tax.
- Access to capital from low tax rates on dividends and capital gains.
- Minimizing expensive mandates - such as those for health insurance and pro-union initiatives like card check.
- Enhancing international competitiveness to keep jobs here; not abroad.
- A lower corporate tax rate.
- Improved investment and research incentives to ensure that workers have the most modern technology.
- Bringing the budget to balance, reducing federal borrowing, and controlling spending to reduce the burden on the economy.

Comprehensive Spending Controls: John McCain will institute broad reforms to control spending:

- The McCain administration would reserve all savings from victory in the Iraq and Afghanistan operations in the fight against Islamic extremists for reducing the deficit. Since all their costs were financed with deficit spending, all their savings must go to deficit reduction.
- A one-year spending pause. Freeze non-defense, non-veterans discretionary spending for a year and use those savings for deficit reduction. A one-year pause in the growth of discretionary spending will be imposed to allow for a comprehensive review of all spending programs. After the completion of a comprehensive review of all programs, projects and activities of the federal government, we will propose a plan to modernize, streamline, consolidate, reprioritize and, where needed, terminate individual programs.
- Take back earmark funds. The McCain Administration will reclaim billions of add-on spending from earmarks and add-ons in FY 2007 and 2008.

Bi-partisan Fiscal Discipline: A McCain Administration will provide the leadership to achieve bipartisan spending restraint equivalent to that in the 1997 Balanced Budget Agreement between a GOP Congress and a Democratic President. In 1997, President Clinton and the GOP Congress agreed to balance the budget by restraining the growth in spending and cutting taxes over a ten-year period.

- With the same bipartisan effort today, with the federal budget that is now 70 percent larger, we could keep taxes low and still balance the budget by holding overall spending growth to 2.4 percent. Unlike Congress and the Executive branch in recent years, a McCain Administration will enforce the spending restraint to balance the budget and keep it balanced.
- A McCain Administration would perform a comprehensive review of all programs, projects and activities of the federal government, and then propose a plan to modernize, streamline, consolidate, reprioritize and, where needed, terminate individual programs. McCain could use the bi-partisan commission structure used for the Defense Base Realignment and Closure Commission (BRAC). Such a commission could be required to report to the President who would then submit the recommendations to the Congress for a straight up or down vote.
- A McCain Administration will review all special spending provisions to end subsidies to high-income individuals and corporations

Eliminating Wasteful Spending

Stop Earmarks, Pork-Barrel Spending, And Waste: John McCain will veto every pork-laden spending bill and make their authors famous. As President, he will seek the line-item veto to reduce waste and eliminate earmarks that have led to corruption. Earmarks restrict America's ability to address genuine national priorities and interfere with fair, competitive markets.

Leadership, Courage And Choices: Reducing spending means making choices. John McCain will provide the courageous leadership necessary to control spending, including:

- Eliminate broken government programs. The federal government itself admits that one in five programs do not perform.
- Reform our civil service system to promote accountability and good performance in our federal workforce.
- Reform procurement programs and cut wasteful spending in defense and non-defense programs.

Reforming Entitlement Programs For The 21st Century

Reform Social Security: John McCain will fight to save the future of Social Security, and he believes that we may meet our obligations to the retirees of today and the future without raising taxes. John McCain supports supplementing the current Social Security system with personal accounts - but not as a substitute for addressing benefit promises that cannot be kept. John McCain will reach across the aisle to address these challenges, but if the Democrats do not act, he will. No problem is in more need of honesty than the looming financial challenges of entitlement programs. Americans have the right to know the truth and John McCain will not leave office without fixing the problems that threaten our future prosperity and power.

Control Medicare Growth: The growth of spending on Medicare threatens our fiscal future. John McCain has proposed comprehensive health care reforms that will reduce the growth in Medicare spending, improve the quality of care, protect seniors against rising Medicare premium payments, and preserve the advancements in medical science central to providing quality care.

Supporting Small Businesses

Lower Energy Costs

John McCain's Lexington Project will address the rising costs of energy that are hurting small businesses. He strongly supports increased domestic exploration of oil and natural gas. This will send a strong signal to oil markets that future supplies will be more plentiful, countering the rise in oil prices. The market for natural gas is less internationally integrated than that of oil - increased domestic production will lower the cost of this key energy source.

The Project will transform electricity generation. John McCain has set the goal of building 45 new nuclear power plants by 2030 - creating 700,000 jobs and providing cheap electricity. It will provide incentives for the production of electricity from renewable sources. Finally, the Lexington Project will devote \$2 billion annually to research that will allow the clean use of our most plentiful and low-cost energy source: coal.

Controlling Health Care Costs

John McCain has a comprehensive health care reform plan that will reduce the spiraling cost of health care - a major burden for those small businesses that offer health insurance and a major impediment for those who cannot. He will provide \$5,000 for health insurance to every American family - supporting small businesses that seek to offer insurance. John McCain opposes costly mandates or "pay or play" requirements that would raise the financial burden on small business, cut the ability to hire, expand, or raise payrolls.

John McCain's opponent would burden small businesses with roughly \$5,000 to \$12,000 of extra cost for every employee through his "pay or play" health care mandates. This will stifle new job creation, and it will require small businesses either to cut employees' pay in order to finance this mandate or fire them.

Taxes: Simpler, Fair, Pro-Growth, And Competitive

Keep Tax Rates Low: Entrepreneurs are at the heart of American innovation, growth and prosperity. Entrepreneurs create the ultimate job security - a new, better opportunity if your current job goes away. Entrepreneurs should not be taxed into submission. John McCain will keep the top tax rate at 35 percent, maintain the 15 percent rates on dividends and capital gains, and phase-out the Alternative Minimum Tax. Small businesses are the heart of job growth; raising taxes on them hurts every worker. John McCain's opponent wants to increase the marginal income tax rate which applies to the nation's 23 million small business owners who pay their taxes under the individual tax rate system.

Cut The Corporate Tax Rate From 35 To 25 Percent: A lower corporate tax rate is essential to keeping good jobs in the United States. America was once a low-tax business environment, but as our trade partners lowered their rates, America failed to keep pace. American workers deserve the chance to make fine products here and sell them around the globe.

Allow First-Year Deduction, Or "Expensing", Of Equipment And Technology Investments: American workers need the finest technologies to compete. Expensing of equipment and technology will provide an immediate boost to capital expenditures and reward investments in cutting-edge technologies.

Establish A Permanent Tax Credit Equal To 10 Percent Of Wages Spent On R&D: This reform will greatly simplify the tax code, reward activity in the United States, and make us more competitive with other countries. A permanent credit will provide an incentive to innovate and remove uncertainty. At a time when our companies need to be more competitive, we need to provide a permanent incentive to innovate, and remove the uncertainty now hanging over businesses as they make R&D investment decisions.

Allow Families To Keep Their Businesses: John McCain proposes reducing the Estate Tax rate to 15 percent and permit a generous \$10 million exemption.

Opening New Markets

John McCain believes that globalization is an opportunity for American workers today and in the future. Ninety-five percent of the world's customers lie outside our borders and we need to be at the table when the rules for access to those markets are written. To do so, the U.S. should engage in multilateral, regional and bilateral efforts to reduce barriers to trade, level the global playing field and build effective enforcement of global trading rules.

Export growth is the strongest part of our sluggish economy, and we should be encouraging the growth of even more jobs in this sector through more free trade agreements which give American firms more access to sell our goods and services abroad.

Cheap, Clean, Secure Energy for America

Transform Electricity

Nuclear Power: Nuclear power is a proven, reliable, zero-emission source of energy, and it is time to recommit to advancing our use of nuclear power. The U.S. has not started construction on a new nuclear power plant in over 30 years. Currently, nuclear power provides 20 percent of our overall energy portfolio. Other countries such as China, India and Russia are looking to increase the role of nuclear power in their energy portfolio and the U.S. should not just look to maintain, but increase its own use. John McCain will put our country on track to construct 45 new nuclear power plants by 2030 with the ultimate goal of eventually constructing 100 new plants.

It is also critical that the U.S. be able to build the components for these plants and reactors within our country so that we are not dependent on foreign suppliers with long wait times to move forward with our nuclear plans. The development of new nuclear plants will re-create a U.S. industry that has disappeared: manufacturing components of nuclear power plants, as well as assembling and operating the plants. A rough estimate is that 45 new nuclear power plants will create roughly 700,000 jobs - jobs in construction, engineering, operation and maintenance.

Coal: John McCain will commit \$2 billion annually to advancing clean coal technologies. Coal produces the majority of our electricity today. Some believe that marketing viable clean coal technologies could be over 15 years away. John McCain believes that this is too long to wait, and we need to commit significant federal resources to the science, research and development that advance this critical technology. Once commercialized, the U.S. can then export these technologies to countries like China that are committed to using their coal - creating new American jobs and allowing the U.S. to play a greater role in the international green economy.

The development of clean coal technology will revitalize coal mining and return jobs to some of America's most economically disadvantaged areas. The demonstration projects alone will employ over 30,000 Americans.

Renewables: John McCain will encourage the market for alternative, low carbon fuels such as wind, hydro and solar power. According to the Department of Energy, wind could provide as much as one-fifth of electricity by 2030. The U.S. solar energy industry continues its double-digit annual growth rate in 2008. To develop these and other sources of renewable energy will require that we rationalize the current patchwork of temporary tax credits that provide commercial feasibility. John McCain believes in an even-handed system of tax credits that will remain in place until renewable energy has progressed to the point that it is competitive with conventional energy sources.

Expand Domestic Production Of Oil And Gas

John McCain will commit our country to expanding domestic oil and natural gas exploration. The current federal moratorium on drilling in the Outer Continental Shelf stands in the way of energy exploration and production. John McCain believes it is time for the federal government to lift these restrictions and work with states to put our own reserves to use. There is no easier or more direct way to prove to the world that we will no longer be subject to the whims of others than to expand our production capabilities.

We have trillions of dollars worth of oil and gas reserves in the U.S. at a time we are exporting hundreds of billions of dollars a year overseas to buy energy. This is the largest transfer of wealth in the history of mankind. We should keep more of our dollars here in the U.S., lessen our foreign dependency, increase our domestic supplies, and reduce our trade deficit - 41 percent of which is due to oil imports. John McCain proposes to cooperate with the states and the Department of Defense in the decisions to develop these resources.

Estimates from the Minerals Management Service indicate that technically recoverable resources currently off limits in the lower 48 OCS total 18 billion barrels of crude oil and 77 trillion cubic feet of natural gas. John McCain believes in promoting and expanding the use of our domestic supplies of oil and natural gas when people are hurting, and struggling to afford gasoline, food and other necessities, and when our manufacturing businesses are increasingly hampered by the high cost of natural gas.

Addressing Speculative Pricing Of Oil

John McCain believes we must understand the role speculation is playing in our soaring energy prices. Congress already has investigations underway to examine this kind of wagering in our energy markets, unrelated to any kind of productive commerce, because it can distort the market, drive prices beyond rational limits, and put the investments and pensions of millions of Americans at risk. John McCain believes that where we find abuses, they need to be swiftly punished. To make sure it never happens again, we must reform the laws and regulations governing the oil futures market, so that they are just as clear and effective as the rules applied to stocks, bonds, and other financial instruments.

Transform Transportation

The only way America can break its strategic dependence on foreign oil is to change how we power our automobiles and rejuvenate our automotive industry. The Lexington Project will help do that through a comprehensive plan.

Battery Technology: John McCain will propose a \$300 million prize to improve battery technology for full commercial development of plug-in hybrid and fully electric automobiles. A \$300 million prize should be awarded for the development of a battery package that has the size, capacity, cost and power to leapfrog the commercially available plug-in hybrids or electric cars. That battery should deliver a power source at 30 percent of the current costs. At \$300 million, the prize is one dollar for every man, woman and child in this

country - and a small price to pay for breaking our dependence on oil.

Clean Car Challenge: John McCain will issue a Clean Car Challenge to the automakers of America, in the form of a single and substantial tax credit based on the reduction of carbon emissions. For every automaker who can sell a zero-emissions car, John McCain will commit a \$5,000 tax credit for each and every customer who buys that car. For other vehicles, whatever type they may be, the lower the carbon emissions, the higher the tax credit.

Flex-Fuel Vehicles (FFVs): In just three years, Brazil went from new cars sales that were about 5 percent FFVs to over 70 percent of new vehicles that were FFVs. American automakers have committed to make 50 percent of their cars FFVs by 2012. John McCain calls on automakers to make a more rapid and complete switch to FFVs.

Alternative Fuels: John McCain believes alcohol-based fuels hold great promise as both an alternative to gasoline and as a means of expanding consumers' choices. Some choices such as ethanol are on the market right now. The second generation of alcohol-based fuels like cellulosic ethanol, which won't compete with food crops, are showing great potential. Unfortunately, today isolationist tariffs and wasteful special interest subsidies are not moving us toward an energy solution. We need to level the playing field and eliminate mandates, subsidies, tariffs and price supports that focus exclusively on corn-based ethanol and prevent the development of market-based solutions which would provide us with better options for our fuel needs.

CAFE Standards: John McCain has long supported CAFE standards - the mileage requirements that automobile manufacturers' cars must meet. Some carmakers ignore these standards, pay a small financial penalty, and add it to the price of their cars. John McCain believes that the penalties for not following these standards must be effective enough to compel carmakers to produce fuel-efficient vehicles.

Building Efficiency

Government Purchasing: John McCain will make greening the federal government a priority of his administration. The federal government is the largest electricity consumer on earth and occupies 3.3 billion square feet of space worldwide. It provides an enormous opportunity to lead by example. By applying a higher efficiency standard to new buildings leased or purchased and retrofitting existing buildings, we can save taxpayers money in energy costs, and move the construction market in the direction of green technology.

American Homes: Homeowners can save hundreds or even thousands of dollars a year with better light bulbs, appliances, windows, and insulation. As Americans retro-fit to improve energy efficiency and reduce their carbon footprint, jobs will flow to the U.S. providers of insulation, windows, appliances, and other sources of energy efficiency.

Health Care Reforms: Better Care, At Lower Cost, for Every American

Reforms To Reduce The Rate Of Health Care Inflation

John McCain proposes a number of initiatives that can lower health care costs. If we act today, we can lower health care costs for families through common-sense initiatives. Within a decade, health spending will comprise twenty percent of our economy. This is taking an increasing toll on America's families and small businesses.

Cheaper Drugs: John McCain will look to bring greater affordability and competition to our drug markets through safe re-importation of drugs and faster introduction of generic drugs.

Chronic Disease: Chronic conditions account for three-quarters of the nation's annual health care bill. By emphasizing prevention, early intervention, healthy habits, new treatment models, new public health infrastructure and the use of information technology, we can significantly reduce these costs. We should dedicate more federal research to treating and curing chronic disease.

Coordinated Care: Coordinated care - with providers collaborating to produce the best health care for the patient - offers better outcomes at lower cost. We should pay a single bill for high-quality care which will make every single provider accountable and responsive to the patients' needs.

Greater Access And Convenience: Families place a high value on quickly getting simple care. Government should promote greater access through walk-in clinics in retail outlets.

Information Technology: John McCain will promote the rapid deployment of 21st century information systems and technology to improve patient safety, enhance quality and lower costs.

Medicaid And Medicare: John McCain will reform the payment systems in Medicaid and Medicare to compensate providers for diagnosis, prevention and care coordination. Medicaid and Medicare should not pay for preventable medical errors or mismanagement. We also need to implement a zero tolerance policy towards Medicare and Medicaid fraud that is increasingly stripping away resources from the sick and the elderly.

Smoking: John McCain will promote the availability of smoking cessation programs. Most smokers would love to quit but find it hard to do so. Working with businesses and insurance companies to promote availability, we can improve lives and reduce associated chronic diseases through smoking cessation programs.

Tort Reform: John McCain will lead the fight for medical liability reform that eliminates lawsuits directed at

doctors who follow clinical guidelines and adhere to proven safety protocols. Every patient should have access to legal remedies in cases of bad medical practice but that should not be an open invitation to endless, frivolous lawsuits that drive up health care costs for everyone and make the practice of medicine unaffordable for good doctors everywhere.

Transparency: John McCain believes we must make information on treatment options and doctor records more public, and require greater transparency regarding medical outcomes, quality of care, costs and prices. We must also facilitate the development of national standards for measuring and evaluating treatments and outcomes.

Reforms To Make Health Insurance Innovative, Portable And Affordable

Health Care Costs: John McCain will reform health care making it easier for individuals and families to obtain insurance. Americans are working harder and longer, yet the amount workers take home in their paychecks is not keeping pace because of rising health care costs. An important part of his plan is to use competition to improve the quality of health insurance with greater variety to match people's needs, lower prices, and promote portability. Families should be able to purchase health insurance nationwide, across state lines.

Making the Tax Subsidy Fair: By making the tax code more equitable and transparent, John McCain will give every family a refundable tax credit - cash towards insurance - of \$5,000 (Individuals receive \$2,500). Every family in America, regardless of the source of their insurance or how much they make will get the same help. Families will be able to stay with their current plan, or choose the insurance provider that suits them best and have the money sent directly to the insurance provider.

Making Insurance More Portable: Americans need insurance that follows them from job to job. Too many job decisions today are controlled by a fear of losing health care. Americans want insurance that is still there if they retire early and does not change if they take a few years off to raise the children. John McCain will lead the reform for portable insurance.

Taxes: Simpler, Fair, Pro-Growth and Competitive

Pro-Growth Tax Policy

Keep Tax Rates Low: Entrepreneurs are at the heart of American innovation, growth and prosperity. Entrepreneurs create the ultimate job security - a new, better opportunity if your current job goes away. Entrepreneurs should not be taxed into submission. John McCain will keep the top tax rate at 35 percent, maintain the 15 percent rates on dividends and capital gains, and phase-out the Alternative Minimum Tax. Small businesses are the heart of job growth; raising taxes on them hurts every worker.

Cut The Corporate Tax Rate From 35 To 25 Percent: A lower corporate tax rate is essential to keeping good jobs in the United States. America was once a low-tax business environment, but as our trade partners lowered their rates, America failed to keep pace. We now have the second highest corporate tax rate in the world, making America a less attractive place for companies to do business. American workers deserve the chance to make fine products here and sell them around the globe.

Allow First-Year Deduction, Or "Expensing", Of Equipment And Technology Investments: American workers need the finest technologies to compete. Expensing of equipment and technology will provide an immediate boost to capital expenditures and reward investments in cutting-edge technologies.

Establish Permanent Tax Credit Equal To 10 Percent Of Wages Spent On R&D: This reform will simplify the tax code, reward activity in the United States, and make us more competitive with other countries. A permanent credit will provide an incentive to innovate and remove uncertainty. At a time when our companies need to be more competitive, we need to provide a permanent incentive to innovate, and remove the uncertainty now hanging over businesses as they make R&D investment decisions.

Innovation Tax Policy

Ban Internet Taxes: John McCain believes we must make a farsighted, robust, and fervent commitment to innovation and new technologies to sustain our global competitiveness, meet our national security challenges, achieve less costly and more effective health care, reduce dangerous dependence on foreign sources of oil, and raise the quality of education in the United States. John McCain has been a leader in keeping the Internet free of taxes. As President, he will seek a permanent ban on taxes that threaten this engine of economic growth and prosperity.

Ban New Cell Phone Taxes: John McCain understands that the same people that would tax e-mail will tax every text message - and even 911 calls. John McCain will prohibit new cellular telephone taxes.

Trade

Lower Barriers to Trade

John McCain believes that globalization is an opportunity for American workers today and in the future. Ninety-five percent of the world's customers lie outside our borders, and we need to be at the table when the rules for access to those markets are written. To do so, the U.S. should engage in multilateral, regional and bilateral efforts to reduce barriers to trade, level the global playing field and build effective enforcement of global trading rules.

Competitive American Workers

John McCain understands that globalization will not automatically benefit every American. We must prepare the next generation of workers by making American education worthy of the promise we make to our children and ourselves. We must be a nation committed to competitiveness and opportunity. We must fight for the ability of all students to have access to any school of demonstrated excellence. We must place parents and children at the center of the education process, empowering parents by greatly expanding the ability of parents to choose among schools for their children.

John McCain will overhaul unemployment insurance and make it a program for retraining, relocating and assisting workers who have lost a job. The unemployment insurance system created in the 1950s needs to be modernized to meet the goals of helping displaced workers make ends meet between jobs and moving people quickly on to the next opportunity. John McCain will reform the half-dozen training programs to approaches that can be used to meet the bills, pay for training, and get back to work. John McCain believes that we can strengthen community colleges and technical training, and give displaced workers more choices to find their way back to productive and prosperous lives.