

PRESS RELEASE

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NAW Responds to the Obama Tax Speech

Washington, DC (July 30, 2013) ... The National Association of Wholesaler-Distributors (NAW), reacting to President Obama's announcement of a new "tax reform" plan, dismissed the plan as "business as usual." "For our member companies and the workers whose jobs they provide, the President's offer is simply more of the same: tax more, spend more, and grow the government more. Senate Finance Committee Ranking Republican Senator Hatch summed it up perfectly: The president's proposal is 'curious, contradictory and unserious,'" said Jade West, NAW's Senior Vice President- Government Relations.

"It's hard to believe that after years of failed economic policies resulting in still-too-high unemployment and stagnant growth, the President still apparently believes that it is the government, and not the private sector, that creates jobs and a healthy economy. And the folks who pay the price for those failed policies are the unemployed or underemployed Americans who are denied the long-term and stable opportunities that only a thriving private sector economy would provide them," added NAW President Dirk Van Dongen.

"The President's proposal again fails to recognize – or deliberately obfuscates – the fact that only 1.9 million businesses pay taxes under the corporate, while more than 30 million businesses pay tax under the individual code. Those pass-through entities – America's job creators – now face an income tax rate that rose to more than 40% in January, and yet the President is calling for individual tax rates to be increased yet again. And while offering a reduction in the corporate tax rate, the President offers the millions of small pass-through entities patronizing offers of tax code simplification and more of the type of 'gift from your government' incentives that pick winners and losers in the tax code," West continued.

"For C corporations and pass-through entities alike, the President's offer of tax reform is illusory at best. It is a thinly-disguised campaign proposal to take yet more money from the private sector on the flawed assumption that government, rather than job creators, knows best how to spend it," added Van Dongen.

"The U.S. economy has struggled since 2007, with the middle class paying the most acute price for that economic stagnation. Sadly, the President's campaign speech today is just more of the same failed policies," Van Dongen concluded.

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The National Association of Wholesaler-Distributors is comprised of direct member companies and a federation of national, regional, state and local associations and their member firms which collectively total approximately 40,000 employers, with locations in every state. The wholesale distribution industry consists of hundreds of thousands of businesses with more than \$4.8 trillion annually in aggregate sales and more than 5.5 million employees.