

**House Ways & Means Committee Testimony**  
**Brian Cornell**  
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Good morning Chairman Brady, Ranking Member Neal and members of the committee. Thank you for the opportunity to be here today...

Let me begin by saying that we strongly support tax reform. At Target, we have a high effective tax rate – an average of 35 percent over the past decade. So we're as motivated as anyone to bring that rate down.

Our current tax code is broken. The status quo is unacceptable. Mr. Chairman, we'll put every tax benefit we currently receive on the table – every single one – in order to: Pass tax reform. Spur investment. Create jobs. And grow the American economy.

However, we've concluded that the new border adjustment tax would undermine the pro-growth principles in the Blueprint. And it's not just us. More than 500 companies and associations feel the same way. Main Street coffee shops. Car Dealers. Grocery Stores. Gas Stations. And restaurants. From large companies like Target – to small American businesses. We've all come to the same conclusion. Under the new border adjustment tax, American families – your constituents – would pay more so many multinational corporations can pay even less.

85 percent of Americans shop at Target every year. We believe this new tax would hit those families hard. Raising prices on everyday essentials by up to 20 percent. We're not talking about luxury items here, but instead the basics that American families need...Moms in Cincinnati would pay more for back-to-school clothes. Parents in Houston would pay more for groceries. Seniors in Philadelphia would pay more for their medicine. Every time your constituents fill up their gas tanks, they would pay more. The people who shop at Target are middle-class working families, whose budgets are already stretched. For them, this new tax would be a budget breaker.

Mr. Chairman, we're investing in America. We're hiring. We recently announced we're investing \$7 billion in communities across the country. \$7 billion. To build new stores... To renovate hundreds more...And to transform our distribution network... All right here in the United States. These investments will create thousands of new jobs at Target, and thousands more. For engineers, electricians, plumbers, and painters all across the country. That means new stores and new jobs in America. Today.

But under the new border adjustment tax, our rate would more than double, from 35 percent to 75 percent. And we – like many others – would be left with only bad options. It's simple math. If the government takes nearly four out of every five dollars we make. Four out of Five. There's no capital to invest and no prospects for growth. And that matters a lot. Both to us and to the American economy. Instead of investing and creating American jobs, we'd be pushed in the other direction.

Mr. Chairman, I have a responsibility to more than 320,000 employees – 99 percent of whom are based right here in the United States. That’s hundreds of thousands of American families who depend on me. I know there is an academic theory that says currency markets will adjust. That families won’t be harmed under this plan. Well that might work in a textbook. But I can’t tell my employees that their paychecks. And Congress shouldn’t tell American families that their budgets. Are being wagered on an unproven and untested theory.

So in closing...Mr. Chairman...members of the Committee...We have a historic opportunity to simplify the tax code. To spur economic growth and create jobs. Many parts of the Blueprint will do just that. But I can’t sign up for a tax plan that would stick American families with the bill or a plan that would double our tax rate. A plan that would stifle our investment in America. Mr. Chairman, I want to thank you again for your leadership. I know this is challenging, and I want to help. Let’s move past the new border adjustment tax. And get tax reform done. It’s too important. That’s why I’m here today. Thank you.