

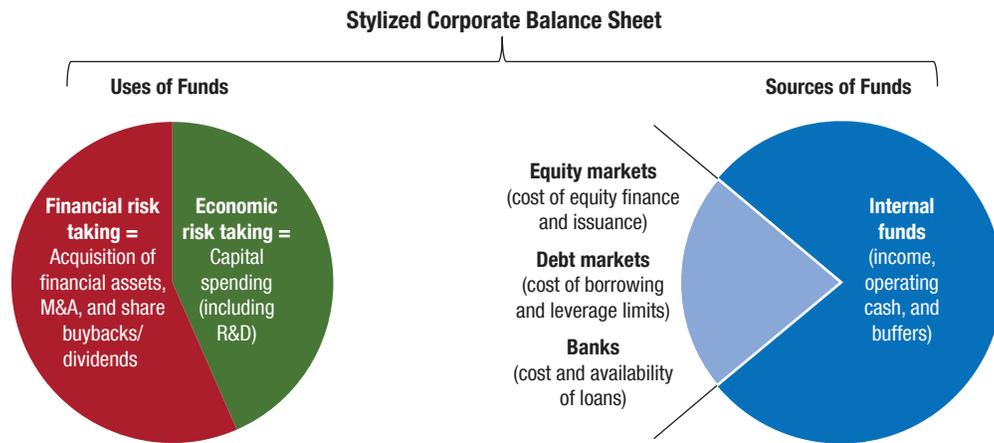
Figure 1.5. United States: Policies under Discussion and Financial Stability Risks

Key elements of policy stimulus proposals:

- **Corporate sector taxation**
 - Potential reduction in corporate tax rate
 - Interest deductibility/expensing investment
 - Incentives for repatriation
- **Other** (infrastructure spending, deregulation, trade, and other policies)

Financial stability risks in the corporate sector:

- **Excessive financial risk taking**
- **Corporate leverage peaking**
- **Credit cycle maturing**
- **Heightened vulnerability to default risk**



Sources: S&P 500; and IMF staff.

Note: For more on the depicted breakdown of corporate balance sheets, see Figure 1.7, panel 5. Financial measures such as M&A and net payouts are included as financial risk taking. M&A = mergers and acquisitions; R&D = research and development.