



May 17, 2017

The Honorable Lloyd Doggett
Ranking Member, Subcommittee on Tax Policy
United States House of Representatives
2307 Rayburn House Office Building
Washington, DC 20515

RE: Corporate EXIT Fairness Act (H.R.1931)

Dear Representative Doggett,

We write on behalf of the Financial Accountability and Corporate Transparency Coalition (FACT Coalition) to thank you for your leadership in introducing the Corporate EXIT Fairness Act of 2017 (H.R.1931), which would stop U.S. companies from claiming foreign residence simply to dodge taxes.

The FACT Coalition is a non-partisan alliance of more than 100 state, national, and international organizations working toward a fair tax system that addresses the challenges of a global economy and promoting policies to combat the harmful impacts of corrupt financial practices.¹

A common theme from both Democrats and Republicans in the recent election was the increasing problem that multinational companies are moving money and jobs offshore. These practices are encouraged by loopholes in the tax code — loopholes that costs honest taxpayers an estimated \$135 billion per year.²

The debate around tax reform should focus its attention on closing these loopholes. Unfortunately, some of the plans from Congress are likely to make matters worse by expanding the loopholes that got us into the mess we are in today. These plans are in direct contradiction with the clear message from the election that we certainly should not be subsidizing companies who move offshore.

Perhaps the most egregious tax loophole is one known as a corporate “inversion” whereby a large U.S. company buys up smaller, foreign companies, to move their legal residence to that country (a paper transaction, no moving van required) and claim they are no longer U.S. residents to avoid paying taxes. Under current law, these companies still have access to our markets and many of the privileges they enjoyed as U.S. companies, they just won’t pay for any of those privileges. That means middle-class Americans and domestic businesses are left paying their share of taxes.

¹ For a full list of FACT members, see: <https://thefactcoalition.org/about/coalition-members-and-supporters/>

² Merle, Renae. *U.S. companies are saving \$100 billion a year by shifting profits overseas, report says*. The Washington Post. May 10, 2016. <http://wpo.st/glwp1> (accessed August 1, 2016).

The Corporate EXIT Fairness Act takes direct aim at these inversions, instituting a number of safeguards to protect honest taxpayers from this sort of gaming.

The reforms in H.R.1931 could and should garner bipartisan support, while offering more sensible and popular reforms than the radical alternatives that are dividing the Congress. That is why the FACT Coalition is proud to support the Corporate EXIT Fairness Act.

Thank you again for your leadership in protecting honest taxpayers from those who seek to shirk their civic responsibility. For more information, please feel free to contact Clark Gascoigne at cgascoigne@thefactcoalition.org.

Sincerely,



Gary Kalman
Executive Director
The FACT Coalition



Clark Gascoigne
Deputy Director
The FACT Coalition

cc: The Honorable Kevin Brady, Chairman, House Committee on Ways and Means
The Honorable Richard Neal, Ranking Member, House Committee on Ways and Means
The Honorable Peter Roskam, Chairman, Subcommittee on Tax Policy

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Financial Accountability & Corporate Transparency

Coalition Members and Supporters

Organizational Members

National/International

ActionAid USA
Americans for Democratic Action
American Federation of Labor – Congress of Industrial Organizations (AFL-CIO)
American Federation of State, County and Municipal Employees (AFSCME)
American Sustainable Business Council
Campaign for America’s Future
Center for Economic and Social Rights (CESR)
Citizens for Responsibility and Ethics in Washington (CREW)
Citizens for Tax Justice
EarthRights International
EG Justice
Enough Project
Fair Share
Fair Share Education Fund
Financial Transparency Coalition
Friends of the Earth U.S.
Global Financial Integrity
Global Witness
Government Accountability Project
Institute for Policy Studies – Program on Inequality and the Common Good
Institute on Taxation and Economic Policy
JPIC Ministry – Missionary Oblates
Jubilee USA Network
Leadership Conference of Women Religious
The Main Street Alliance
National Priorities Project
Natural Resources Governance Institute (NRGI)
New Rules for Global Finance
OpenTheGovernment.org
Oxfam America
Pacific Environment
Polaris
Project On Government Oversight (POGO)
Public Citizen
Sargent Shriver National Center on Poverty Law
Service Employees International Union (SEIU)
Small Business Majority
Tax Justice Network USA
Transparency International
U.S. Public Interest Research Group (PIRG)
U.S. Public Interest Research Group (PIRG) Education Fund
U.S. UNCUT

State/Local

Arizona

Arizona Fair Share
Arizona Public Interest Research Group

California

California Fair Share
California/Venezuela Region – Religious Sisters of Charity
California Public Interest Research Group
Jubilee Bay Area
Main Street Alliance of California

Colorado

Colorado Fair Share
Colorado Main Street Alliance
Colorado Public Interest Research Group

Connecticut

Connecticut Fair Share
Connecticut Public Interest Research Group

Delaware

Delaware Americans for Democratic Action (Delaware ADA)

Florida

Florida Fair Share
Florida Public Interest Research Group
Main Street Alliance of Florida

Georgia

Georgia Fair Share
Georgia Public Interest Research Group

Idaho

Idaho Main Street Alliance

Illinois

Citizen Action / Illinois Illinois Fair Share
Illinois Public Interest Research Group

Iowa

Iowa Citizen Action Network
Iowa Citizens for Community Improvement
Iowa Fair Share
Iowa Farmers Union

Iowa Main Street Alliance
Move to Amend – Iowa Chapter

Kentucky

Kentucky Fair Share

Minnesota

Main Street Alliance of Minnesota
Minnesota Fair Share

Maine

Maine Small Business Coalition

Maryland

Maryland Fair Share
Maryland Public Interest Research Group

Massachusetts

Massachusetts Fair Share
Massachusetts Public Interest Research Group

Michigan

Michigan Fair Share
Michigan Public Interest Research Group

Missouri

Missouri Public Interest Research Group

Montana

Montana Fair Share
Montana Small Business Alliance

Nevada

Nevada Fair Share

New Hampshire

New Hampshire Fair Share
New Hampshire Public Interest Research Group

New Jersey

New Jersey Main Street Alliance
New Jersey Public Interest Research Group

New Mexico

New Mexico Public Interest Research Group

North Carolina

Fair Share in North Carolina
North Carolina Public Interest Research Group

North Dakota

North Dakota Fair Share

Ohio

Ohio Fair Share
Ohio Public Interest Research Group
Main Street Alliance of Ohio

Oregon

Jubilee Oregon
Main Street Alliance of Oregon
Oregon Fair Share
Oregon State Public Interest Research Group

Pennsylvania

Pennsylvania Fair Share
Pennsylvania Public Interest Research Group
SEIU Local 668, Pittsburgh, PA
UFCW Local 23, Western PA

South Carolina

South Carolina Small Business Chamber of Commerce

Texas

Texas Fair Share
Texas Public Interest Research Group

Vermont

Main Street Alliance of Vermont

Virginia

Virginia Fair Share
Main Street Alliance of Virginia

Washington (State)

Main Street Alliance of Washington
Washington Public Interest Research Group

Wisconsin

Wisconsin Fair Share
Wisconsin Public Interest Research Group

[Individual Supporters](#)

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