

100 GROUPS OPPOSING A TERRITORIAL TAX SYSTEM PROPOSED BY PRESIDENT TRUMP & REPUBLICAN LEADERS

October 2, 2017

Dear Member of Congress:

We urge you to reject a proposal to give U.S. multinational corporations a huge tax break for sending jobs offshore and a huge loophole to help them avoid paying taxes.

President Trump and Republican leaders in Congress want to allow multinational corporations to pay no U.S. taxes on their offshore profits. This is called a “territorial tax system.”

It is an incredibly bad idea. Ending taxation of offshore profits would give multinational corporations an incentive to send jobs offshore, thereby lowering U.S. wages. It would also be a giant loophole for corporations to use accounting gimmicks to move their profits to tax havens, resulting in the loss of billions of dollars in tax revenue for the United States.

Ending taxation of offshore profits would rig the rules in favor of multinational corporations, give them a competitive advantage over domestic businesses, and make our tax system more complicated.

We cannot afford to give multinational corporations a giant loophole to avoid paying their fair share of taxes at a time when we need more revenue to create jobs rebuilding infrastructure, educating our children, expanding healthcare coverage, researching new medical cures, and ensuring a secure retirement.

Voters are unalterably opposed to a territorial tax system. Three-quarters of Americans say they would oppose a tax system that does not tax offshore profits. A June 2017 Hart Research poll found that 32 percent of respondents believe that foreign profits of U.S.-based companies should be taxed at a *higher* rate than their U.S. profits while another 40 percent believe they should be taxed at the same rate. Only 8 percent believe foreign profits should be taxed at a lower rate, and only four percent said they should not be taxed at all — which is what a territorial tax system would do.

Please see this fact sheet (<http://bit.ly/2hCiVn9>) from the Institute on Taxation and Economic Policy for a more detailed explanation of why a “territorial tax system” would rig the rules for multinational corporations and against American businesses and working people.

We urge you to reject this terrible idea.

Sincerely,

A. Philip Randolph Institute
ActionAid USA
Agenda Project
Alliance for Retired Americans
Amalgamated Transit Union
American Family Voices
American Federation of Government Employees (AFGE)
American Federation of Labor and Congress of Industrial Organizations (AFL–CIO)
American Federation of Musicians of the United States and Canada
American Federation of State, County and Municipal Employees (AFSCME)
American Federation of Teachers
Americans for Democratic Action (ADA)
Americans for Tax Fairness
Asia Initiatives
Asian Pacific American Labor Alliance
As You Sow
Brotherhood of Railroad Signalmen
Campaign for America's Future
Center for Biological Diversity
Center for Community Change
Center for Popular Democracy
Center of Concern
Citizens' Environmental Coalition
Coalition of Black Trade Unionists
Coalition of Labor Union Women
Coalition on Human Needs
Communications Workers of America
Congregation of Our Lady of Charity of the Good Shepherd, US Provinces
Demand Progress
Earth Action, Inc.
EG Justice
Economic Policy Institute Policy Center
Fair Share
Financial Accountability & Corporate Transparency (FACT) Coalition
Financial Transparency Coalition (FTC)
Fix Democracy First
Food & Water Watch
Franciscan Action Network
Friends of the Earth
Global Financial Integrity
Health Care for America NOW!
Hip Hop Caucus
I.A.T.S.E., International Alliance of Theatrical Stage Employees
Institute for Agriculture and Trade Policy

Institute for Policy Studies - Inequality Program
Institute on Taxation and Economic Policy
International Association of Machinists and Aerospace Workers
International Association of SMART, Sheet Metal, Air, Rail and Transportation Workers
International Brotherhood of Boilermakers
International Brotherhood of Teamsters
International Corporate Accountability Roundtable (ICAR)
International Federation of Professional & Technical Engineers (IFPTE)
International Labor Rights Forum (ILRF)
International Longshoremen's Association
International Union, United Automobile, Aerospace and Agricultural Implement Workers of
America, UAW
Islamic Society of North America
Jobs with Justice
Jubilee USA Network
Main Street Alliance
MomsRising
National Advocacy Center of the Sisters of the Good Shepherd
National Education Association
National Employment Law Project
National Federation of Federal Employees
National Organization for Women
National Priorities Project
National Women's Law Center
NETWORK Lobby for Catholic Social Justice
New Rules for Global Finance
Other98
Our Revolution
Oxfam America
Patriotic Millionaires
Pax Advisory
People Demanding Action
People's Action
Power Shift Network
Pride at Work
Progressive Change Campaign Committee
Progressive Congress Action Fund
Public Citizen
Responsible Wealth
Revolving Door Project
Rights and Accountability in Development (RAID)
RootsAction.org
Service Employees International Union
Social Security Works

Tax Justice Network USA
Tax March
The Hedge Clippers
The Language of Connection
The Leadership Conference on Civil and Human Rights
Unitarian Universalist Legislative Action Network
United Food & Commercial Workers International Labor Union
United for a Fair Economy
United Steelworkers (USW)
UNITE HERE
Wall-of-Us
Woodstock Institute
Working America
Worksafe