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Deficit Talks Reach Stalemate, Momentum Builds to Close Tax Loopholes

Washington – As budget and debt-ceiling negotiations continue to polarize Washington, lawmakers in both chambers have put forth a proposal that could cut the deficit by closing tax loopholes while giving companies greater incentive to keep jobs here in the U.S.

The Stop Tax Haven Abuse Act, introduced by Senator Carl Levin (D-MI) earlier this month in the Senate and now by Rep. Lloyd Doggett (D-TX) in the House of Representatives, would put new restrictions on the use of offshore tax havens to avoid and evade federal taxes. Some of the key provisions include taxing corporations where they operate and do business (as opposed to where they are incorporated, which can amount to a Post Office Box), and requiring annual country-by-country reporting by SEC-registered corporations related to their employees, sales, purchases, financing arrangements, and taxes.

For a summary of the bill, [click here](#). It has been reported by the Senate Permanent Subcommittee on investigations that shutting down the use of tax havens could bring in \$100 billion each year - \$1 trillion over ten years.

This bill is supported by the [Financial Accountability and Corporate Transparency](#) (FACT) coalition, which includes a broad range of organizations with an interest in seeing the loopholes closed due to their impact on jobs, critical programs, small businesses, human rights, corruption and national security.

“We’re talking about \$1 trillion of taxes not being collected to help pay for our national defense, infrastructure, courts and education system. That means that small businesses and individual taxpayers pay more taxes to subsidize these giant corporations that depend on these government services,” said Frank Knapp, President of the South Carolina Small Business Chamber of Commerce, spokesperson for [Business and Investors Against Tax Haven Abuse](#), and FACT member.

“Most of the provisions in the Stop Act deal with foreign countries that serve as offshore tax havens, which can facilitate both tax evasion and tax avoidance. The bill also targets some other types of tax dodging, as well as the bankers, lawyers, and accountants who facilitate these abuses by their clients,” added Rebecca Wilkins, Senior Counsel for Federal Tax Policy at Citizens for Tax Justice and a founding member of the FACT coalition.

“Giving these billion dollar tax breaks to corporations while asking everyone else to ‘sacrifice’ is complete nonsense,” said Nicole Tichon, also a founding member of the FACT coalition and Executive Director of Tax Justice Network USA.

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