

December 13, 2011

The Honorable Harry Reid  
Senate Majority Leader  
United States Senate  
522 Hart Senate Office Bldg  
Washington, DC 20510

The Honorable Mitch McConnell Senate  
Minority Leader  
United States Senate  
317 Russell Senate Office Building  
Washington, DC 20510

Dear Majority Leader Reid and Minority Leader McConnell,

We urge you to reject calls for a “repatriation tax holiday” allowing U.S. multinational corporations to bring home offshore profits at a reduced tax rate. The proposed repatriation holiday is, pure and simple, an attempt by a few multinational corporations to dodge their rightful tax obligation. It is a tax avoidance measure that will benefit a few corporations, their executives, and their shareholders, while other taxpayers bear the hefty expense.

**A repatriation holiday loses revenue and will add to the deficit.** While Congress is working to address the projected long-term deficits, a repatriation holiday is a narrowly-targeted tax break that is neither warranted nor affordable.

**A repatriation holiday rewards the worst corporate actors.** Multinational corporations that are conducting *real* business offshore are less able to take advantage of a repatriation holiday because they often have reinvested their offshore profits in foreign jurisdictions. In addition, they are paying tax to foreign governments and would have foreign tax credits to offset a portion of the U.S. tax if profits were repatriated under current law. On the other hand, multinational corporations who are merely shifting profits on paper to zero-tax jurisdictions can easily bring those profits back to the U.S. and benefit enormously from a tax holiday.

**A repatriation holiday will not create U.S. jobs.** The 2004 repatriation holiday, justified as a job-creating measure, was a dismal failure. Many of the companies that benefitted most from the tax holiday actually reduced their U.S. employment. Instead of making investments in production capacity and workforce, companies used their repatriated earnings to pay dividends and finance stock buybacks. U.S. companies currently have plenty of cash already on hand if they want to make investments or hire workers.

**Another repatriation holiday encourages corporations to be even more aggressive in moving jobs and profits offshore.** If Congress repeats the 2004 holiday, multinational corporations will quite rightfully expect that another holiday will be enacted in a few years. They will have enormous incentive to engage in ever more aggressive tax schemes that move their profits to foreign jurisdictions. In fact, the 20 companies who repatriated the most earnings under the 2004 holiday are already anticipating the next holiday – they now have three times as much in foreign profits parked offshore as they did at the end of 2005.

We urge you to reject the proposals for a repatriation holiday. The multinationals who are lobbying hard for this tax break offer numerous reasons why you should give them this generous

reprieve. But their plea for a repatriation holiday is nothing more than a blatant attempt to escape their tax obligations and shift the burden onto the taxpaying American public.

American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)

American Federation of State, County & Municipal Employees (AFSCME)

American Sustainable Business Council

Business and Investors Against Tax Haven Abuse

Business for Shared Prosperity

Campaign for America's Future

Citizens for Tax Justice

Coalition on Human Needs

Consumer Action

Disabled Rights Action Committee

Dominican Sisters of Hope

FACT Coalition <http://www.tjn-usa.org/current-campaigns>

Friends of the Earth

Global Financial Integrity

Government Accountability Project

Green America

Green Peace Corps

Jubilee USA Network

Just Foreign Policy

Main Street Alliance

Maryknoll Office of Global Concerns, Washington D.C.

Mennonite Central Committee U.S. Washington Office

Midwest Coalition for Responsible Investment

Missionary Oblates US

National Latino Farmers & Ranchers Trade Association

New Rules for Global Finance Coalition

OMB Watch

Public Citizen

Service Employees International Union (SEIU)

South Carolina Small Business Chamber of Commerce

Tax Justice Network International

Tax Justice Network USA

United for a Fair Economy

United Church of Christ, Justice and Witness Ministries

Ursuline Sisters of Tildonk, U.S. Province

US Public Interest Research Group (US PIRG)

US Uncut

Wealth for the Common Good

Wider Opportunities for Women

World Business Academy

#### State and Local Organizations

Arizona Public Interest Research Group

California Public Interest Research Group (CALPIRG)

Jubilee San Diego

Nicaragua Center for Community Action (NICCA) Berkley, CA  
Sisters of Notre Dame de Namur, Belmont, CA  
Resurrection Lutheran Church - Jubilee Parish Oakland, CA  
Pilgrim United Church of Christ Carlsbad, CA  
San Marcos Lutheran Church, San Marcos CA  
University Christian Church San Diego, CA  
Colorado Public Interest Research Group (CoPIRG)  
Connecticut Public Interest Research Group (ConnPIRG)  
Florida Public Interest Research Group  
Georgia Public Interest Research Group  
Idaho Main Street Alliance  
Illinois Public Interest Research Group  
The Cantilever Network, Inc. IL  
Provincial Council of the Clerics of St. Viator (Viatorians), Arlington Heights, IL  
Indiana Public Interest Research Group (INPIRG)  
Iowa Main Street Alliance  
Iowa Public Interest Research Group  
Maine Small Business Coalition  
Servants of the Immaculate Heart of Mary -- Religious Congregation, ME  
Maryland Public Interest Research Group  
Sisters of Mercy of the Americas — Institute Justice Team, Silver Spring, MD  
Massachusetts Public Interest Research Group (MASSPIRG)  
Jubilee MA  
Michigan Public Interest Research Group (PIRGIM)  
Sisters, Home Visitors of Mary, Detroit, MI  
Minnesota Citizens for Tax Justice  
Missouri Public Interest Research Group (MoPIRG)  
Montana Small Business Alliance  
St. Francis Xavier Jubilee Parish Missoula, MT  
Lutheran Metro Ministry, Omaha, NE  
Sisters of Mercy West Midwest Justice Team Omaha, NE  
North Carolina Public Interest Research Group (NCPIRG)  
North Carolina Justice Center  
North Carolina Budget and Tax Center  
Church of Reconciliation (PCUSA) Chapel Hill, NC  
New Hampshire Public Interest Research Group (NHPIRG)  
New Jersey Public Interest Research Group (NJPIRG)  
New Mexico Public Interest Research Group (NMPIRG)  
Agricultural Missions, Inc (AMI) NY, NY  
Ohio Public Interest Research Group  
Main Street Alliance of Oregon  
Oregon Public Interest Research Group (OSPIRG)  
Jubilee Oregon  
Jubilee NW Coalition  
Zion United Church of Christ, Gresham, OR  
Pennsylvania Public Interest Research Group (PennPIRG)  
Grey Nuns of Sacred Heart, Yardley, PA  
Benedictine Sisters of Erie, PA

Rhode Island Public Interest Research Group (RIPIRG)  
Texas Green Chamber of Commerce  
Texas Public Interest Research Group (TexPIRG)  
Main Street Alliance of Washington  
Washington Public Interest Research Group (WashPIRG)  
Faith Action Network of Washington (WA)  
Wisconsin Public Interest Research Group (WISPIRG)