

The **UNITED STATES SENATE**
COMMITTEE on FINANCE
CHAIRMAN RON **WYDEN**, D-OREGON

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Contact: [Ashley Schapitl](mailto:Ashley.Schapitl@senate.gov) (202) 224-4515

Wyden Statement at Finance Committee Hearing on U.S. International Tax Policy Impact on Jobs
As Prepared for Delivery

The Finance Committee meets today to discuss international corporate taxes, and the 2017 Trump tax law's will be a significant part of that discussion. The lesson of the Trump tax law is that somehow, you can spend hundreds of billions on multinational corporate tax handouts and not produce any lasting boost in jobs and investment.

This hearing comes just days after the release of a jaw-dropping new report from the Joint Committee on Tax. That report found that the Trump tax law slashed the average U.S. tax rate paid by the biggest mega-corporations by more than half. Add to that data from the Congressional Budget Office, which tells us that corporate tax revenues have fallen through the floor. From 2016 to 2019, they dropped by one third.

The fact is, before 2017 the U.S. already collected relatively little tax from corporations compared to other major economies. Despite this, Trump and Republicans still sent the U.S. diving headlong into the global race to the bottom on corporate taxes. After all, that race to the bottom is based on the same old trickle-down tax philosophy that's been misleading the American people, blowing budgets, and driving inequality for 50 years. The worst part is, it was done in a way that makes this country LESS competitive, not more.

Under the Trump tax law, multinational corporations got special new breaks for shipping jobs and profits overseas. There's a specific new tax break for investing in factories outside the country. There are even new barriers to bringing back good-paying jobs in management and R&D or investing in key areas like clean energy or affordable housing. So it's no surprise that the investment boom Republicans talked about turned out to be more of an investment whisper. Manufacturing even went into recession in 2019, months before the pandemic hit.

Hearing this has got to be a punch in the gut for Americans who live in communities where hulking, shuttered factories sit there as reminders of what prosperity used to look like. Americans have recognized this kind of basic unfairness and imbalance in the Trump tax law from the get-go. Colossal benefits for colossal multinationals, but the promises made to workers have always come up empty.

Here's my bottom line. As we begin today, I reject the proposition that the U.S. has to participate in the worldwide race to rock bottom on corporate taxes to compete or create good-paying jobs. This country

does not need to behave like some minor island off the coast of nowhere, selling zero-tax P.O. boxes to corporate headquarters for a quick buck. Whether it was the result of shoddy legislating or misleading doublespeak, the Trump incentives for shipping jobs overseas are a disaster for working people in Oregon and across the country.

It's time the Congress took a fresh approach. In the coming days, joined by Senator Brown and Senator Warner, I'll be releasing a new framework for international taxation that reverses the Trump-era handouts to multinationals.

Our new framework is based on a few simple propositions. First, multinationals must pay a fair share, just like Americans who work for a living. There were too many corporate loopholes and opportunities for gamesmanship before the Trump tax law, and the Trump tax law only made the situation worse. Rates are too low, and it's too easy for corporations to skip out on paying a fair share by gaming the system and shifting profits.

Second, the tax code must reward companies that invest and create good-paying jobs in the U.S., and stop rewarding companies that ship jobs and factories overseas. Inequality is getting worse and millions of Americans are out of a job. The provisions of the Trump tax law that shortchange American workers and make us less competitive have got to go.

I'm pleased to be able to say that members are already hard at work on these issues, and I know other members of this committee are going to have big ideas to bring to this debate.

Let me also thank our witnesses for joining the committee today. This issue represents a big, difficult challenge, but today's hearing is an opportunity for us to move the debate forward. I look forward to Q&A.

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