October 6, 2011

Dear Member of Congress:

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.
The FACT Coalition [http://www.tjn-usa.org/current-campaigns](http://www.tjn-usa.org/current-campaigns)
American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)
Business and Investors Against Tax Haven Abuse
Business for Shared Prosperity
Citizens for Tax Justice
Dominican Sisters of Hope
Global Financial Integrity
Government Accountability Project
Jubilee USA Network
Main Street Alliance
Maryknoll Sisters
Midwest Coalition for Responsible Investment
Missionary Oblates US
Public Citizen
Service Employees International Union (SEIU)
South Carolina Small Business Chamber of Commerce
Tax Justice Network International
Tax Justice Network USA
Ursuline Sisters of Tildonk, U.S. Province
US Public Interest Research Group (US PIRG)
US Uncut
Wealth for the Common Good