

# Sen. Brown Announces Plan to Overhaul Corporate Tax Code to Spur Domestic Investment, Create High-Skilled Jobs

Brown Proposal Would Lower Domestic Corporate Tax Rate while Ending Incentives for Offshore Tax Havens through the Creation of a Global Minimum Tax

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WASHINGTON, DC – As the Senate prepares to undertake comprehensive tax reform, U.S. Sen. Sherrod Brown (D-OH) today held a press conference call announcing his plan to increase American competitiveness by overhauling the corporate tax code in order to promote investment in the United States, increase domestic production, and create high-skilled jobs. He submitted this plan to the Senate Finance Committee last week.

“Corporate tax reform is necessary to ensure the American economy is the most desirable place in the world for U.S. based companies to invest,” Brown said. “We can do that by closing down tax havens that cost our country revenue and cost American workers jobs. Lowering the corporate tax rate would put companies on a level playing field with foreign competitors and reduce the incentive for them to shift jobs and profits overseas. Creating a global minimum tax rate will level the playing field, raise revenue, and prevent a global race-to-the-bottom.”

Brown argued that tax reform must ensure that our nation secures its fiscal future while addressing the challenges of an increasingly globalized economy. Currently U.S. multinational corporations book over 40 percent of their profits in so-called “tax havens” that contain 7 percent of their actual foreign investments and 4 percent of their foreign workers. For example, the profits of U.S. controlled foreign corporations booked in Bermuda represent 646 percent of that nation’s Gross Domestic Product (GDP).

Brown announced a plan to simplify an overly complex international tax system that fails to encourage domestic investment and allows companies to shift domestic profits to tax havens.

Brown’s plan would:

1. **Lower the Corporate Tax Rate.** The U.S. corporate tax rate should be lowered to be competitive with the average of countries that are part of the Organisation for Economic Co-operation and Development (OECD), an international economic organization of more than 30 countries whose mission is to stimulate economic progress and world trade. This reduction in the U.S. corporate rate would place domestic companies on a level playing field with their foreign competitors and reduce incentives for companies to shift jobs and profits overseas.
2. **Create a Global Minimum Tax Rate.** A country-by-country global minimum tax will close offshore tax havens and eliminate incentives for tax arbitrage. By narrowing the difference between our rate and that of our competitors, we will minimize the ability to profit from aggressive tax planning. By establishing a flat minimum rate that companies pay in each country in which they do business, we will effectively close the tax havens down.

Brown was joined on the call by Elaine Kamarck, co-chair of the RATE Coalition and lecturer in public policy at the Harvard Kennedy School of Government. The Rate (Reforming America’s Taxes Equitably) Coalition represents the employers of 1.2 million Ohioans. Following the call, Brown released a [county-by-county report](#) of Ohio locations of RATE member companies.

“The RATE Coalition appreciates Senator Brown’s call for a lower corporate tax rate which will make American companies more competitive and would boost investment and growth here at home,” Kamarck said with RATE Coalition Co-Chair James P. Pinkerton, former White House domestic policy adviser to Presidents Ronald Reagan and George H.W. Bush. “The proposal notes that a lower corporate rate would place U.S. companies on a level playing field with international competitors, bringing needed jobs back here to the U.S. Senator Brown is a welcome voice in the growing call for tax reform, and we will look for lawmakers to continue to play an important leadership role in creating a fair and modern tax code. The RATE Coalition has

long called for comprehensive tax reform that cuts loopholes and uses those expenditures to significantly reduce the corporate tax rate to compete with OECD trading partners. Senator Brown's proposal is another positive step in that direction."

The RATE Coalition is comprised of 32 companies and organizations advocating for corporate tax reform. It believes that making the tax code fairer and simpler will help spur job growth, stimulate the U.S. economy, and make it more competitive globally. RATE members currently include: AT&T, Altria Client Services Inc., Association of American Railroads, Babcock & Wilcox, Boeing, Brown Forman, Capital One, Cox Enterprises, CVS Caremark, FedEx, Ford, GAP Inc., General Dynamics, Home Depot, Intel, Kimberly-Clark, Liberty Media, Lockheed Martin, Macy's, National Retail Federation, Nike, Northrup Grumman, Raytheon, Reynolds American, Southern Company Time Warner Cable, T-Mobile, UPS, Verizon, Viacom, Walt Disney and Walmart. RATE members and affiliated companies represent over 30 million employees in all 50 states and support innumerable numbers of suppliers and small businesses.

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