



FACTCOALITION
Financial Accountability & Corporate Transparency

TAX REFORM

The current tax code is full of perks and preferences that create a great deal of unfairness in the tax system. Some large multinational corporations pay little or no federal income taxes, year after year, while domestic-based businesses large and small commonly pay a quarter or even a third of their income in federal taxes. Some very wealthy taxpayers pay an effective rate almost half of that paid by middle-income workers.

We need tax reform that:

- Stops corporations, large and small, and millionaire investors from avoiding the taxes that support the essential goods and services that government provides.
- Ends the gaming that has turned corporate tax departments into profit centers.
- Provides sufficient revenues for vital services, job creation, and deficit reduction.

We ask Congress to enact tax reform that:

1. **Ends Corporate Tax Deferral on Foreign Earnings** and enacts a true worldwide system of taxing U.S.-based multinational corporations. **Enacts Interim Measures** to curtail abuse of current system until a true worldwide system is completely phased in. **Rejects a Repatriation Tax Holiday** that is, in effect, an amnesty for corporations that have dodged their taxes by sending profits and jobs offshore. **Rejects a Territorial System** that would give multinationals a permanent zero rate on their foreign earnings.
2. **Utilizes a “G.E. Rule”** that corporate tax reform should be guided by a principle similar to the “Buffett Rule”: multinational corporations should not be paying tax at a lower rate than the small businesses that line Main Street.
3. **Closes Corporate Tax Loopholes** that allow some profitable companies to pay little or no federal income tax while others pay much higher rates.
4. **Limits Use of S Corporation Rules** that allow companies with billions of dollars in revenue to reap the benefits created for “small business.”
5. **Requires Publicly-Traded Companies to Disclose Actual Taxes Paid to the IRS** so that the public knows the real story about how little taxes some companies pay.
6. **Improves Enforcement and Closes the “Tax Gap”**
 - Combats tax haven abuse
 - Increases Internal Revenue Service resources
 - Requires automatic tax information exchange with other countries
 - Enacts country-by-country reporting of financial information by publicly listed companies
 - Requires disclosure of the beneficial owners of all U.S. corporations
 - Enacts measures requiring MORE, not less, third-party reporting
 - Enacts the Tax Lien Simplification Act
 - Allows the IRS to publish a Tax Delinquents List
7. **Changes the Rules and Closes Individual Tax Loopholes** that allow millionaires to pay a lower rate than middle-class workers.