

Promote America's Competitive Edge

U.S. Workers Keeping **PACE**
with the World

www.pace4jobs.org

August 3, 2010

Dear Senator:

The PACE Coalition—a broad-based organization dedicated to promoting and increasing the more than 63 million American jobs that depend on the international competitiveness of worldwide American companies—opposes inclusion of the proposed international tax increases in Senate Amendment 4575 to H.R. 1586 scheduled for floor consideration this week in the Senate.

The members of PACE, including the undersigned trade associations, advocate that the United States should provide a level playing field for taxation of international operations of U.S. businesses. U.S. tax law already disadvantages worldwide American companies and their employees. U.S. companies face the second highest corporate tax rate among developed countries and an international tax system that impedes the ability of U.S. companies to expand into new markets and reinvest foreign earnings at home. The \$9.6 billion in proposed international tax increases in this bill would further disadvantage U.S. companies—harming their competitiveness and reducing the earnings U.S. companies bring back from their foreign operations, thereby reducing reinvestment in U.S. plant and equipment, funding U.S. research, and expanding U.S. payrolls.

At a time when other countries are taking steps to attract business, this legislation sends exactly the opposite message, with the effect of discouraging business investment and job creation in the United States.

PACE urges policy makers to consider comprehensive tax reform designed to increase the competitiveness of U.S. companies both at home and abroad. Changes to our international tax system that fail to consider the competitive global marketplace will further disadvantage U.S. workers. When worldwide American companies become less competitive in their ability to serve foreign markets, demand for U.S. produced goods and services will decline.

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PACE Letter to Congress

PACE looks forward to working with Senators to modernize our international tax system to improve the competitiveness of the U.S. economy and create jobs at home. Because Senate Amendment 4575 to H.R. 1586 contains these detrimental international tax increases, we respectfully request that you vote against this amendment.

Sincerely,

Business Roundtable
Information Technology Industry Council
National Association of Manufacturers
National Foreign Trade Council
U.S. Chamber of Commerce