Congress of the United States Washington, DC 20515

October 8, 2021

The Honorable Nancy Pelosi Speaker of the House H-232 United States House of Representatives Washington D.C. 20515 The Honorable Richie Neal Chairman 1102 Longworth House Office Building House Ways & Means Committee Washington D.C. 20515

Dear Speaker Pelosi and Chairman Neal,

Thank you for your leadership during the Build Back Better Act negotiations. While I greatly appreciate the significant efforts made to properly align corporate tax rates, I am concerned about the unintended consequences of the proposed changes to the Global Intangible Low-Taxed Income (GILTI) regime. The United States is the only country to impose immediate tax on the active overseas earnings of our headquartered companies. Moreover, our current GILTI regime is already more burdensome than the proposal under discussion at the Organisation for Economic Co-operation and Development (OECD) and G20.

As the Build Back Better Act continues to be debated, it is important to ensure that American companies remain competitive on the international stage, particularly as we emerge from the COVID-19 pandemic. I am concerned that, while well-intentioned, the GILTI changes as proposed would potentially reduce American competitiveness with their foreign counterparts and result in American job losses. We must ensure that American businesses remain competitive with China and that technological innovation remains centered in the United States.

I would encourage Leadership to pause on moving forward with GILTI and international tax changes at this time. We must find a new pathway to ensure that we do not move before the rest of the world on implementing a new GILTI regime, and that we do not institute new rules of the road, like a country-by-country regime. These new rules in the ways and means draft would allow other countries to take advantage of our rules, and harm U.S. companies. If we wait, it will allow Congress the opportunity to adjust the implementation of the policy based on how G-20 countries write their own GILTI regimes.

Thank you again for your continued leadership. I look forward to working with you to ensure that American business remains competitive internationally and we do not harm investment in the United States and hurt our economic recovery.

Sincerely,

Tom O'Halleran Member of Congress Henry Cuellar Member of Congress

Tom OHalleson Henry Gellar

Lou Correa Member of Congress