

United States Senate
Committee on Finance



Sen. Chuck Grassley • Iowa
Ranking Member

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MEMORANDUM

To: Reporters and Editors
Fr: Jill Gerber for Sen. Grassley, 202/224-6522
Re: President Obama's corporate tax proposals
Da: Monday, May 4, 2009

Sen. Chuck Grassley, ranking member of the Committee on Finance, with jurisdiction over tax policy, today made the following comment on President Obama's corporate tax proposals.

“This all has to be vetted very carefully. Congress needs to look at whether these tax increases are fair, whether American workers will lose their jobs, and whether U.S. companies will fall behind foreign competition and even become more vulnerable to foreign acquisition. Big corporation job cuts also could affect the smaller businesses that provide supplies, services and distribution systems. We've seen that with the automakers and parts makers. The two-year delay in the President's proposal seems to recognize the big impact this will have on U.S. business and potentially American jobs. It seems clear that denying or delaying deductions for wages paid to U.S. employees would decrease jobs and wages for American workers.

“Out of fairness, corporate taxpayers generally shouldn't pay pennies on the dollar compared to the rest of Americans who don't have lots of options to cut their bill. Tax fairness was the motivation for the major loophole closers, including shutting down corporate inversions, that I got enacted in 2004 as part of the JOBS bill, an international tax reform bill. My effort to shut down corporate inversions further got stymied by House Democrats in 2007. I hope the President's leadership can help House Democrats recognize tax cheating this time. But there's a big difference between abusive tax avoidance and legitimate tax policy that recognizes the global economy. To the extent the President continues on the road of cracking down on tax abuse, he can count on my support. But if he's using tax shelters as a stalking horse to raise taxes on corporations at the cost of U.S. jobs, he'll lose me.”