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Contact: [Rachel McCleery](#) (202) 224-4515

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Wyden Statement at Finance Committee Hearing on International Tax Reform

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The Trump team says their international tax framework is about creating jobs and firing up the country's economic engine, but the details show that's just part of the con job being pulled on the middle class. Behind the scenes, the administration recently scrubbed from the Treasury website a 2012 paper showing that workers do not primarily benefit from a corporate rate cut -- that trickle down economics are a fantasy. Apparently that mainstream economic analysis had to be purged since it didn't jibe with the Trump Team's patter.

They claimed the study was out of date, but they didn't find reason to take down any of the other papers that date back as far as the 1970s. This sure makes it look like the Trump team is afraid of a well-informed public. And the con job isn't just about hiding inconvenient facts. The administration is currently working to pick apart the rules that were designed to combat the inversion virus and the decimation of our tax base.

People at town halls tell me they want tough policies in place to stop companies from shipping jobs overseas. Especially in towns where mills and factories are shuttered and Main Street is vacant, Americans are desperate for more red-white-and-blue jobs with good wages. And they want corporations to pay their fair share. What's on offer in the Trump plan is likely to disappoint.

The Republican tax framework okayed the entire corporate wish list. A massive rate cut. A pure territorial system. But there was barely a nod to tough rules to prevent companies from sending jobs abroad or running away to set up HQ on some zero-tax island. Base erosion, a minimum tax -- these vital parts of the international tax debate appear to be an afterthought. This is an invitation for corporations to game the system, and the tax lobby must be licking its chops.

Bottom line, the president is giving multinationals a green light to pay no taxes. Then for the benefit of people reading the news, there's a lot of happy talk about jobs, economic growth, and the biggest tax cut ever.

It's not hard to predict what will happen if this multi-trillion dollar tax giveaway to the wealthy and corporations is enacted, our tax base continues to erode, and the deficit skyrockets. Lawmakers will come after Social Security, Medicare and Medicaid yet again. And this isn't without precedent -- privatizing Social Security was the first priority of the Bush administration's second term after its big, unpaid-for tax cuts. Let's remember that every percentage point decrease in the corporate tax rate

results in a loss of \$100 billion in revenue. Perhaps that's the kind of issue that caused Senator Corker to say that he's got big concerns over the deficit.

Democrats have reached out to the majority with our principles for tax reform. There are a lot of members on this side with big ideas of how to help the middle class, create jobs, and bring some fairness to the tax code through bipartisan reform.

That's the kind of reform that Ronald Reagan signed into law back in 1986, but the framework that was released last week is nowhere near what Reagan accomplished. And it's nowhere near the reforms built on fairness and fiscal responsibility that my colleagues Dan Coats, Judd Gregg and I worked to write into our bipartisan plans more recently.

As I wrap up, international taxation is going to be a key part of the tax reform debate, and it involves a lot of extraordinarily complex questions. The committee has an excellent panel of witnesses here today who can address international tax much more thoughtfully than the Trump framework does. So I look forward to the discussion.

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