



Further Reading on International Tax Issues

The following resources support the findings and data described in other Business Roundtable fact sheets regarding deferral and other international tax issues.

U.S.-Based International Companies Provide Many Benefits for U.S. Workers and the U.S. Economy

- Kevin B. Barefoot and Raymond J. Mataloni, Jr. “U.S. Multinational Companies: Operations in the United States and Abroad 2007,” *Survey of Current Business*, August 2009.
- Business Roundtable, “The United States Economy Depends on Worldwide American Companies,” July 2009.
- Slaughter, Matthew J., “How U.S. Multinational Companies Strengthen the U.S. Economy,” Business Roundtable and the United States Council Foundation, Spring 2009.
- Mark E. Doms and J. Bradford Jensen, “Comparing Wages, Skills, and Productivity between Domestically and Foreign-Owned Manufacturing Establishments in the United States,” in Robert E. Baldwin, Robert E. Lipsey, and J. David Richardson (eds.) *Geography and Ownership as Bases for Economic Accounting*, 1998.
- Carol Corrado, Paul Lengermann, and Larry Slifman, “The Contribution of Multinational Corporations to U.S. Productivity,” Finance and Economics Discussion Series Paper 2007-21, Federal Reserve Board, February 9, 2007.
- Mihir Desai, C. Fritz Foley, and James R. Hines, Jr., “Domestic Effects of the Foreign Activities of US Multinationals,” *American Economic Journal: Economic Policy*, February 2009.
- Organization for Economic Cooperation and Development, *Open Markets Matter: The Benefits of Trade and Investment Liberalization*, 1998.
- Mihir Desai, C. Fritz Foley, and James R. Hines, Jr., “Foreign Direct Investment and the Domestic Capital Stock,” National Bureau of Economic Research Working Paper no. 11075, January 2005.
- Martin Feldstein, “Taxes, Leverage and the National Return on Outbound Foreign Direct Investment,” National Bureau of Economic Research Working Paper no. 4689, March 1994.

Foreign Operations of U.S.-Based International Companies Boost Foreign Sales

- Kevin B. Barefoot and Raymond J. Mataloni, Jr. “U.S. Multinational Companies: Operations in the United States and Abroad 2007,” *Survey of Current Business*, August 2009.
- Bureau of Economic Analysis, U.S. Department of Commerce, “U.S. Direct Investment Abroad: Operations of U.S. Parent Companies and Their Foreign Affiliates, Preliminary 2007 Statistics,” Table II.A2. Service industries include utilities, wholesale and retail trade; information; finance and insurance; professional, scientific and technical services; transportation and warehousing; real estate and rental and

leasing; management; administration, support, and waste management; health care and social assistance; accommodation and food services; and miscellaneous services.

- National Foreign Trade Council, *The NFTC Foreign Income Project: International Tax Policy for the 21st Century*, 2001, p. 12.
- United Nations Conference on Trade and Investment, *World Investment Report*, 2008.

Deferral: A Primer

- Business Roundtable, *Taxing U.S. Corporations in the Global Marketplace*, June 2006.
- President's Advisory Panel on Federal Tax Reform, *Simple, Fair, and Pro-Growth: Proposals to Fix America's Tax System*, 2005, p. 243, identified nine countries following worldwide tax systems. Since its publication in 2005, four countries have switched from worldwide tax systems to exemption systems, with Japan and the United Kingdom doing so in 2009. Worldwide countries in the OECD are Ireland, Korea, Mexico, Poland, and the United States. Exemption countries in the OECD are Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Japan, Italy, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Turkey, and the United Kingdom.

Deferral Supports the Competitiveness of U.S.-Based International Companies and Their Workers

- European Commission, *Taxation Trends in the European Union*, 2008 Edition.

Case Study: Elimination of Deferral Sank American Shipping Industry

- For a recent summary of these events and the recent revival of the domestic industry following enactment of the 2004 legislation, see Ken Kies, "A Perfect Experiment: 'Deferral' and the U.S. Shipping Industry," *Tax Notes*, September 10, 2007, p. 997. Earlier data are provided in National Foreign Trade Council, *The NFTC Foreign Income Project: International Tax Policy for the 21st Century*, 2001, p. 106, and Price Waterhouse LLP (now PricewaterhouseCoopers LLP), "Decline in the U.S.-Controlled Share of the Open Registry Merchant Shipping Fleet since 1975," June 7, 1997.

Providing the Facts: Foreign Investment by U.S.-Based Companies Expands the U.S. Economy

- Mihir Desai, C. Fritz Foley, and James R. Hines, Jr., "Domestic Effects of the Foreign Activities of US Multinationals," *American Economic Journal: Economic Policy*, February 2009.
- Organization for Economic Cooperation and Development, *Open Markets Matter: The Benefits of Trade and Investment Liberalization*, 1998.

**Let's maintain the foundation for sustained economic growth.
Business tax policy must promote U.S. international competitiveness.**