



Grover G. Norquist

President

Invest In USA Act Urgent Memo Ratings Alert March 3, 2004

To: All Senators

From: Grover G. Norquist

Re: "Invest in the USA Act" as part of FSC/ETI

As the Senate begins debate on the JOBS Act (S.1637), Americans for Tax Reform (ATR) urges you to ensure the provision allowing the American companies to invest their \$600 billion of foreign profits back into America is included in the final package.

As you may know, current tax law subjects U.S. companies to a double tax on foreign earnings as high as 35 percent when the profits are reinvested back into the American economy. This double tax barrier has prevented many companies from reinvesting their profits earned overseas back into America, thus stifling job creation here in America. As such, the double tax barrier is encouraging companies to reinvest these earnings in other countries and not America.

S. 1637 enables companies, for one year, to bring their profits back into America at a 5.25 percent rate, thus providing an incentive for profits to be reinvested back into America. A recent analysis of the proposal by economist Alan Sinai conservatively estimated that this legislation will return \$300 billion of foreign profits into the American economy and provide 660,000 new jobs in America. Bringing back \$300 billion will boost GDP by .5% in just one year! It will also increase the total national level of capital spending by 2-3 percent over the next two years.

What will companies do with this money?

- Pay down outstanding debt.
- Finance new capital spending projects
- Fund new R&D and venture capital projects.
- Buy back stock.

ATR May Rate This Vote in Our Annual Congressional Scorecard