

# TAX FEATURES

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September-October 2002 Volume 46, Number 4

## Foundation to Honor Thomas at 65th Annual Dinner; Dam to Keynote National Conference

*Retiring Majority Leader Armey Also to be Honored for Contribution to Tax Policy Debate*

Rep. Bill Thomas (R-CA), Chairman of the House Committee on Ways and Means, will accept a Distinguished Service Award at the Tax Foundation's 65th Annual Dinner, November 14 at the Four Seasons Hotel in Washington, DC.



**U.S. Representative  
Bill Thomas (R-CA)  
Chairman, House  
Committee on  
Ways and Means**

venue measures, trade agreements, Social Security and Medicare. In addition to legislating, the Committee exercises broad oversight authority in all these areas.

Prior to his election as chairman, Thomas chaired the Ways and Means Committee's Subcommittee on Health where he was instrumental in the passage of the "Health Insurance

Portability and Accountability Act of 1996," as well as the "Medicare Preservation Act." In 1998, Thomas was appointed Administrative Chairman of the National Bipartisan Commission on the Future of Medicare.

Thomas has shepherded two major tax bills into law during his chairmanship of Ways and Means, a period when an almost even split between the parties has relegated most other legislation to the partisan circular file.

Signed into law in May of 2001, the Economic Growth and Tax Relief Reconciliation Act of 2001 established a new 10-percent income tax rate, lowered four other tax rates, raised the child credit, greatly reduced the "marriage penalty" by raising the standard deduction and the top of the 15-percent bracket for joint returns, repealed the estate tax, and provided numerous tax breaks for education spending and retirement plans.

In the aftermath of September 11, Thomas presided over passage of an economic stimulus package, the Job Creation and Worker Assistance Act of 2002, that addressed a general weakening of the economy exacerbated by the tragedy. The bill was signed into law in March of 2002, pro-

**National Conference continued on page 8**

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### FRONT & CENTER

## Dramatic Tax Simplification Could Ease Taxpayers' Crisis of Confidence

*Pamela E. Olson, Assistant Secretary of the Treasury for Tax Policy*

**4-5**

# Thomas Answers WTO with Introduction of H.R. 5095, Proposing Replacement of FSC/ETI

## *Difficult Balancing Act Between U.S. Exporters and Multinationals*

Representative Bill Thomas, Chairman of the House Ways and Means Committee, recently introduced H.R. 5095, the American Competitiveness and Corporate Accountability Act of 2002, and Tax Foundation Executive Director Scott Hodge analyzed the bill in a *Fiscal Policy Memo* dated September 24th.

full report on line at:  
[www.TaxFoundation.org/HR5095.html](http://www.TaxFoundation.org/HR5095.html)

### **The Economics of International Taxation**

While little understood outside of corporate tax departments and a handful of congressional committees, the international tax laws administered by U.S. and foreign governments can dramatically affect business decision making, job creation and retention, plant location, competitiveness, and the long-term health of the U.S. economy.

According to basic tenets of sound tax policy, income should be taxed only once, it should be taxed as close to the source as possible, and that tax should treat comparable taxpayers comparably. As can be expected, most tax systems, including the U.S. corporate tax system, fall far short of these ideals.

### **"Worldwide Taxes" Vs. "Territorial Taxes"**

Generally, the U.S. taxes corporate income at a rate of 35 percent whether it is earned here or abroad by a subsidiary. Since the foreign subsidiaries of U.S. firms pay income taxes to host countries, the U.S. avoids double taxation by allowing firms to credit these payments against their U.S. tax liability.

Also, the U.S. does not tax profits earned abroad until companies actually return those profits to the U.S. This "deferral" means companies can avoid tax on foreign-source income as long as they reinvest it in an active foreign subsidiary.

Further complicating matters are

the "anti-deferral" rules which require immediate taxation of certain kinds of foreign-source income. These are commonly referred to as "Subpart F" owing to their chapter in the U.S. tax code.

### ***The Costs of Complexity***

Not surprisingly, most economists and tax practitioners agree that the U.S. international tax regime is inefficient, complicated, and expensive. A survey of Fortune 500 tax officers by Slemrod and Blumenthal found that the cost of complying with U.S. international tax laws was roughly 44 percent of their overall tax compliance cost, even though only 27.8 percent of their assets, 30.1 percent of their sales, and 26.2 percent of their employment were outside the U.S.

### ***Taxes Matter***

Economic studies paint a convincing picture of how sensitive multinational firms are to tax rates and tax rules, and how quickly they will alter their business arrangements to minimize their tax.

For example, using data aggregated from more than 500 multinational tax returns, Grubert and Mutti found that taxes were the decisive motivating factor in the location of approximately one-fifth of U.S. capital abroad. Other studies of corporate tax sensitivity have found that the increasing mobility of capital and globalization of production in the 1990s made multinationals much more willing to act on tax differences than they were in the 1980s.

### ***The Basics Features of H.R. 5095***

The legislation has three major yet disparate policy objectives:

- ◆ Bring the U.S. into compliance with the World Trade Organization (WTO), which ruled that the U.S. Extraterritorial Income regime (ETI) – successor to the Foreign Sales Corporation (FSC) – constituted an unfair trade sub-

sidy to U.S. export companies.

- ◆ Reduce flaws in U.S. international tax laws to improve the ability of American multinational firms to compete in international markets.
- ◆ Halt the erosion of the U.S. tax base from various tax minimization and avoidance practices.

### ***Satisfying the WTO***

Value-added taxes, common in Europe, are well suited to providing tax preferences for exports. Corporate income taxes are not, and attempts by the Clinton and Bush Administrations to mimic European export incentives (the FSC and later the ETI) in an internationally acceptable manner have all been vetoed by the World Trade Organization. The Thomas bill would bring this effort to a close by repealing the ETI.

### ***Making Improvements Elsewhere***

The bill makes 20 substantive changes to important international tax rules, most notably:

- ◆ Reforming the Controlled Foreign Corporation (CFC) rules on foreign "base company" sales and service income;
- ◆ Improving the interest allocation rules that companies use to calculate their foreign tax credits;
- ◆ Combining the nine foreign tax credit "baskets" to three; and
- ◆ Repealing the limitation of foreign tax credits under the Alternative Minimum Tax.

### ***Eliminating Rules that Help Corporations Lower Their Taxes***

The corporate governance scandal has thrown a harsh light on complex tax avoidance techniques. H.R. 5095 responds by proposing an array of provisions to:

- (1) stem corporate "inversions," in which U.S. multinational firms re-incorporate at least a portion of their business in a low-tax foreign country – such

as Bermuda – in order to lower their worldwide tax burdens;

(2) tighten rules against “earnings stripping,” where foreign-based firms strip earnings out of their U.S. subsidiaries through the use of inter-company debt; and

(3) penalize those “tax shelters” that have no substantive business purpose other than tax avoidance.

### **The Economics of H.R. 5095**

The bill’s disparate policy objectives present a challenge in assessing the overall economic effects that would result if these measures were enacted as proposed. The Joint Committee on Taxation has estimated that, as a whole, H.R. 5095 is revenue neutral, meaning that total federal tax collections will not change substantially in any of the next ten years or in the aggregate over the ten-year budget window. Of course, that doesn’t mean the bill is “revenue neutral” for every firm.

If Europe had not protested the ETI, it would provide eligible U.S. companies about \$4.5 billion in tax benefits each year. In other words, its repeal is a hefty tax hike for a small group of exporters, especially companies that export to highly competitive foreign markets where the cost of the tax can not be passed along to consumers.

### **Will ETI Repeal Weaken the Dollar?**

Studies have shown that while FSC/ETI expanded exports for certain products, it also drove up the value of the dollar in foreign exchange markets. Economic theory suggests that in the long run, repeal would do the reverse this process, thus weakening the value of the dollar and encouraging more exports.

While a weaker dollar may benefit all exporters, it is not likely to fully compensate those industries affected by the repeal of the ETI/FSC law. Moreover, the issue of European border tax adjustments still lingers as a problem for the global competitiveness of U.S. products.

### **Improving the Competitive Position of U.S. Firms**

The core competitiveness elements in H.R. 5095 include important simpli-

fications of existing international tax rules and repeal of some punitive provisions. These reforms are projected to save U.S. multinationals about \$86 billion over the next ten years. More importantly, these reforms will greatly help U.S. multinationals compete and export globally. Studies show that each dollar that U.S. firms invest overseas produces \$2.00 worth of additional exports. This, in turn, will mean an increase in the number of better-paying, export-related jobs in the U.S.

### **Protecting the U.S. Tax Base**

Lastly, the impact of the bill’s provisions to protect the U.S. tax base could have repercussions far beyond what lawmakers intend. The provisions in the

***While cutting the U.S. rate, possibly from 35 to 30 percent, would not make all FSC/ETI losers whole, it would increase the after-tax return for exported goods.***

bill that are intended to prevent foreign-based multinationals from stripping income out of their U.S. subsidiaries could have a chilling effect on direct foreign investment. There is also the question of whether or not the improvements to Subpart F and the foreign tax credit rules will be sufficient to prevent some U.S. firms from seeking to lower their tax burden by re-incorporating offshore.

### **Pitting Exporters Against Multinationals**

Congress’s overly strict adherence to “revenue neutrality” requires that any tax cut—even those that spur greater economic activity—be offset by raising other taxes. As a result, H.R. 5095 would require some corporate taxpayers (exporters and foreign subsidiaries) to pay higher taxes to finance the better tax treatment of foreign investments (multinationals).

### **The High U.S. Corporate Tax Rate**

One measure that would both improve the position of exporters and make the economy a more attractive place to invest is a cut in the corporate tax rate. At 35 percent, our corporate tax rate ranks as the fourth highest among the 24 leading industrial countries in the world. Countries with lower corporate rates include: France (33.3 percent); Great Britain (30 percent); and Japan (30 percent). Even socialist countries such as Denmark (30 percent), Finland (29 percent), and Sweden (28 percent) have lower rates.

While cutting the U.S. rate, possibly from 35 to 30 percent, would not make all FSC/ETI losers whole, it would increase the after-tax return for exported goods. And since a cut in the top tax rate is broad-based, even purely domestic firms would benefit substantially.

It also seems reasonable that reducing the U.S. corporate tax rate would discourage corporate re-incorporations and the practice of earnings stripping. Indeed, a lower U.S. corporate tax rate would be likely to attract a considerable amount of new foreign investment into the economy. Over time, the dynamic effects of such a reduction in the corporate rate would substantially reduce its cost to the U.S. Treasury.

To be sure, the biggest obstacle to cutting the top corporate rate is its perceived cost to the U.S. Treasury. Calculated on a static basis, this is undoubtedly true. However, the real cost to the Treasury will be dramatically less because of all the new economic activity generated by the rate cut.

### **Conclusion**

In short, passage of H.R. 5095 would go a long way toward improving the competitiveness of U.S. multinationals abroad which, in turn, will lead to a rise in U.S. exports and more high-wage jobs in domestic home offices. But to achieve the maximum economic benefits, lawmakers should look to match these reforms with measures that will make the U.S. economy a better place to do business in and to export from. Cutting the top corporate tax rate, say from 35 percent to 30 percent, would be a significant step toward achieving that goal. 

# Dramatic Tax Simplification Could Ease Taxpayers' Crisis of Confidence

by Pamela F. Olson  
Assistant Secretary of the Treasury for Tax Policy

The U.S. tax system—conceived nearly a century ago—is approaching a cross-roads. When the income tax was first enacted in 1913, the U.S. was just emerging as a world economic power. That was not long after we had abandoned the horse and buggy for the automobile, and well before we had fought a world war, landed a man on the moon, or imagined the Internet. Our country then stood in “splendid isolation,” separated from the rest of the world and its troubles by two vast oceans.

Our income tax system began as a simple system intended to fund the government of a rapidly developing nation. Since then, however, successive Congresses and Administrations have proposed and enacted both minor changes and major overhauls, grafting on so many components that the system is nearing collapse.

To be sure, many of the components reflect the more complicated world in which we live. But many do not. Often changes have been designed to hit a revenue target or to patch a hole, real or perceived. Whatever the case, changes have been made too frequently without coherent or consistent policy design, with insufficient consideration of their overall effect on our country or its relation to the global economy, and without adequate thought to how each of the new components fits with the others.

We have also turned to the tax system to serve a variety of other purposes, abandoning on the way the notion that the tax code should be merely a vehicle for raising the revenue necessary to fund the government. Instead, the code has become a repository of social and economic subsidies and penalties too daunting for most people to grasp, let alone embrace. It is reason-

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able to debate the merits of the goals sought by these provisions. It is beyond debate, however, how damaging these provisions are to the tax system in terms of their complexity, their effect on horizontal equity, and the resulting economic distortions and misallocation of resources they create.

Stated quite simply, our tax system faces dual crises—of confidence and complexity—that feed on each other. Individuals and businesses alike no longer believe the tax system is fair. They hear that others with higher incomes pay less in tax, whether legally or otherwise. They read about complex tax schemes promoted to the favored few. They face ever-increasing sets of forms and instructions, while frequent changes and new provisions make com-

FRONT & CENTER

become a virtual game. It even has a name—the “audit lottery.” While many would downplay the role that complexity has played, the evidence of its effect on compliance is compelling. There can be no doubt about it—complexity creates the shadows where those who would avoid their obligations can hide.

Complexity makes the IRS’s task of fairly administering and enforcing the rules expensive and nearly impossible.

In the *Federalist Papers*, James Madison warned:

“It will be of little avail to the people that laws are made by men of their choice, if the laws be so voluminous that they cannot be read, or so incoherent that they cannot be understood . . . that no man who knows what the law is today can guess what it will be tomorrow.”

It is time that we heeded his warning and altered our course.

***We have made the tax code so complex that skirting the rules has become a virtual game. ... While many would downplay the role that complexity has played, there can be no doubt about it—complexity creates the shadows where those who would avoid their obligations can hide.***

prehending the rules all the more difficult. Confidence in the system—that everyone is treated fairly—has declined dramatically.

As confidence erodes, so does the willingness and ability of the citizenry to comply with the rules. National media depict honest taxpayers as “chumps” while businesses are advised to turn their tax departments into “profit centers,” modern day snake oil salesmen market tax scams to unsophisticated audiences, and electronic commerce allows those who would hide their money offshore.

We have made the tax code so complex that skirting the rules has

Last year, the Joint Committee published a 3-volume list of simplification last year without addressing the complexities that reflect policy choices. That is illustrative of how much must be done. The Treasury is looking at simplification with the goal of including specific proposals in next year’s budget. Our objective is to think broadly about simplification.

Let me give you an example. The Code contains five different definitions of “child.” While there are reasons for the differences, they don’t outweigh the complexity they create or the frequent mistakes that result. Last spring, the Treasury Department proposed a

uniform definition of child for all five of the code's child benefit provisions. That would be significant simplification, shortening instructions, making record-keeping simpler, and reducing errors. Of course, there would still be five different provisions in the code covering child benefits. The next step is to find a way to combine some or all of those benefits—perhaps yielding a look-up table of some sort. That would make filing much simpler and give taxpayers a clear picture of what their tax liabilities are likely to be.

### Considering Economic Growth

Aside from the complexity and erosion of confidence, the system needs an overhaul because it has become a barrier to, rather than a facilitator of, economic growth.

While we proclaim our desire for a tax system that does not deter individuals from saving and investing, we offer a system that taxes those who save more heavily than those who consume.

While we proclaim our desire for a tax system that encourages businesses to invest and grow, we offer a tax system so complex and disadvantageous that we face the specter of companies moving their operations overseas to lower their taxes.

While we proclaim our desire for a system inexpensive to comply with, we offer instead a system that requires burdensome record-keeping, changes year after year, and compels even average Americans to pay someone to prepare their returns to avoid mistakes and find the benefits that would otherwise elude them.

And the list goes on. We distort decisions on capital structure, dividend payments, and investments with another layer of tax on income earned in corporate solution. We discourage U.S. companies from reinvesting foreign profits in the U.S. or setting up more efficient operations by taxing them more heavily. We complicate compliance by legislating detailed rules on the calculation of taxable income that differ from the rules used to calculate book income, creating inevitable disparities that undermine confidence in our tax and financial accounting systems. We create a labyrinth of rules so compli-



cated we cannot satisfactorily predict results, then ice the cake with an alternative minimum tax calculation pro-cyclical in effect and loaded with other unintended consequences.

This is surely not a tax system anyone would set out to create, but it is the system that has evolved over time. Let's face it. We have reached the point where our tax system is held together by chewing gum and chicken wire. Moreover, a lot of the chewing gum and chicken wire was applied in haste, not strategically. Viewed from the vantage point of an increasingly global marketplace, our tax rules appear outmoded, at best, and punitive of U.S. economic interest, at worst. It is time for us to review our tax rules based on the world in which we live and the world we imagine for the future.

We must design rules that equip us to compete in the global economy—not fearfully, but hopefully. All of us benefit significantly from vigorous participation in the global economy. Over the past 20 years, U.S. companies that invest abroad exported more (exporting between one-half and three-quarters of all U.S. exports), paid their workers more, and spent more on R&D and physical capital than companies not engaged globally. While 80 percent of U.S. investment abroad is located in high-income countries, the investment that goes into developing countries may be even more important for our future. It is certainly critical for theirs. Developing countries recognize U.S. investment as important to achieving sustainable poverty-reducing growth and development. Whether viewed

altruistically or selfishly, healthy foreign economies should be important to us. Selfishly, they mean more markets for our products and more opportunities for us to profitably invest. Altruistically, foreign investment means sharing our ideas, our knowledge, our values, and our capital. That is not a zero sum game.

The Treasury Department is developing recommendations for a thorough overhaul of our tax system. The task will be neither easy nor quick. Our economy has grown up around our current system. The result is entanglements that can only be unwound with care. There are no easy or obvious paths to take; each involves trade-offs that must be carefully weighed. But we believe the potential benefits make this a task worth undertaking.

The following are the goals we will strive to achieve:

- ◆ A system that is simple and easy to understand, with reasonable filing and record-keeping requirements, and non-intrusive tax administration.
- ◆ A system that is efficient and minimizes interference in economic decisions.
- ◆ A system that supports the international competitiveness of U.S. businesses and workers.
- ◆ A system that is fiscally sound, raising the revenues necessary for government operations.
- ◆ A system that is stable enough to avoid the constant tinkering of years past.
- ◆ A system that is understood to be fair, treating similarly situated taxpayers alike and equitably distributing tax burdens.

Our citizens deserve a tax system that is transparent, fair, and that assists rather than impedes economic growth. Our current system meets none of those objectives. We must step back and design a system that will drive our economic engine through the 21st Century and beyond. ☑

*The Tax Foundation invites a national leader to provide a "Front and Center" column each month in Tax Features. The views expressed are not necessarily those of the Tax Foundation.*

# New Study Examines Introduction of Young Adults to the Income Tax Code

A new *Tax Foundation Special Report* by adjunct scholar Roger Kuo explains how the U.S. income tax affects young adults at several milestones in their lives: when they pay for college, when they marry, when they buy a home, and when they have a first child (see Publication Summary.)

## Education Tax Credits

For many young people, going to college and applying for financial aid introduce them to education credits and the tax code in general.

With the cost of college education rising faster than the salaries of college graduates, lawmakers in 1997 added two tax credits to promote college, the Hope Scholarship and the Lifetime Learning tax credit. The Hope credit subtracts \$1,500 from the income taxes someone owes if he is spending that much on a child's first two years of college. The Lifetime Learning tax credit is worth up to \$1,000 per year for later years of education.

Kuo points out, however, that these credits are less valuable than they seem. A typical family getting the \$1,500 Hope credit would receive \$510 less in needs-based financial aid, so the colleges are capturing a third of the credit.

The federal government also "recaptures" some of the benefit from these credits by limiting their availability to families through the Alternative Minimum Tax (AMT). The Ways and Means Committee estimates the AMT can diminish the credits' value for families with incomes as low as \$41,350, eliminating it entirely in some cases.

## The Marriage Penalty

The next tax milestone for young people is often the "marriage penalty," which occurs when a married couple owes more than they would have if they filed separate individual returns. A "marriage bonus" occurs when the married couple owes less. The Congressional Budget Office estimated the average penalty at \$1,400 in 2000.

The main cause is the "progressive" nature of the income tax code. When two people with similar incomes marry, they find that the joint income brackets are not twice as wide as for singles and that the joint standard deduction is not twice as high as it is for singles. Low-income workers who receive checks from the government instead of paying income taxes, thanks to the Earned Income Tax Credit (EITC), can find their checks reduced when they marry and file a joint tax return.

In general, a marriage penalty switches to a bonus when one spouse earns more than 70 percent of the family's joint income.

The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) will temporarily eliminate the penalty for many couples. It gradually raises the standard deduction for married couples from 167 percent of what it is for singles until it is exactly double in 2009. It also raises the 15 percent tax bracket for couples so that by 2008, it will be twice as high as for singles. It makes a similar adjustment to the EITC. Unless EGTRRA is made permanent, however, these reforms will expire at the end of 2010.

## Deductibility of Home-based Capital Gains

Kuo also reviews how the tax code treats the purchase of a first home.

The Tax Relief Act of 1997 (TRA'97) allowed people selling their primary residence to exclude their gain from taxable income up to \$250,000 per person, with no requirement to buy another house of equal value. This huge savings for existing homeowners made houses a better investment and caused prices to rise.

The capitalization of TRA'97 into higher housing prices benefited empty-nest baby-boomers at the expense of younger families typically looking for larger houses to accommodate growing families.

## Child Tax Credits

The last milestone Kuo examines is having a first child. The biggest provision of TRA'97 was a new income tax credit of \$500 for every dependent child under the age of 17. In 2000, over \$19.7 billion worth of credits were claimed on over 26 million tax returns.

EGTRRA in 2001 raised the credit to \$1,000 (phased in over the next eight years). Thus, a median newlywed family earning \$64,000 and having its first child in 2010 will pay 7.7 percent of their income in federal income taxes instead of 10 percent.

EGTRRA also made the child credit "refundable" so that low-income workers who already get checks from the government under the EITC instead of paying income taxes will benefit from the credit and get larger checks.

Of course, when EGTRRA sunsets in 2011, many families will face large tax increases as the child tax credit is reduced from \$1,000 to \$500 per child and is once again nonrefundable. ●

## Publication Summary

**General:** Special Report No. 117; ISSN 1068-0306; 12pp.; \$10 or \$50/yr. for 6 issues on varied fiscal topics

**Title:** How the Federal Tax Code Affects Young Americans

**Author:** Roger Kuo

**Date:** November 2002

**Subject:** Discussion of how the federal income tax treats taxpayers at four stages of early adulthood: getting credits to pay for a college degree, marrying, buying a house, and having a first child.

**Tables:** Impact of the Hope Credit on Financial Aid; Federal Income Tax Rates and Brackets; How Individuals with Similar Incomes Suffer a Marriage Penalty; How Individuals with Dissimilar Incomes Get a Marriage Bonus; How an Individual Taxpayer Receives a Large Marriage Bonus When Marrying Someone with No Income; How the 2001 Tax Cut Will Diminish the Marriage Penalty; Impact of the Child Credit on the Median Couple's Finances

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## FOUNDATION MESSAGE

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### Tax Foundation's 65th Year



*Scott A. Hodge  
Executive Director  
Tax Foundation*

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## National Conference *from page 1*

viding \$5 billion in special breaks to revitalize lower Manhattan, increasing depreciation deductions for business investment, and extending unemployment benefits for 13 weeks.

### Armey Honored for Contribution to Policy Debate

The Tax Foundation will also honor the career of House Majority Leader Dick Armey. Retiring this year after his ninth term in Congress and his third as Majority Leader, Armey's persistent campaign for a flat tax with only minimal deductions has for many years kept the subject of fundamental tax reform before the public.

*U.S. Representative  
Dick Armey (R-TX)  
House Majority Leader*

### International Tax Policy Conference Features Dam, Archer and Eizenstat

The afternoon of November 14, before the annual dinner, Deputy Secretary of the Treasury Kenneth Dam will keynote the Tax Foundation's 65th National Conference.

Titled, "International Tax Reform: Is There a Win-Win Solution for Exporters and Multinationals?" the conference will present perspectives from the Administration, Capitol Hill and academics on a question two Administrations have been struggling with: how to make our tax system comply with World Trade Organization rules without unduly hindering U.S.-based

exporters or multinational corporations. (See article on page 2 for an overview.)

Secretary Dam will be followed at 12:45 by a panel of three scholars: Dr. Mihir Desai, Harvard University; Dr. Kevin Hassett, American Enterprise Institute; and Dr. Douglas Shackelford, University of North Carolina—to discuss "Economics of International Taxation."

At 2:00, two FSC veterans will address the theme, "Improving the Competitiveness of Exporters and Domestic Firms," Stuart Eizenstat and Bill Archer.

Eizenstat heads Covington & Burling's international tax practice and has served as deputy to several Cabinet Secretaries. During the Clinton Administration, he served as Deputy Secretary of the Treasury and Ambassador to the European Union.

Bill Archer is Senior Policy Analyst at PricewaterhouseCoopers, a firm he joined in 2001 after a 30-year career in Congress. In 1988, Archer became Ranking Minority Member of the House Ways and Means Committee, and in 1995 he assumed the chairmanship for six years.

At 2:50, John Buckley, Democratic Chief Tax Counsel of the Ways and Means Committee, will join Barbara Angus, International Tax Counsel, Department of the Treasury to address the theme, "Finding Common Ground on International Tax Reform."

At 3:35, Professor Terrence Chorvat of George Mason University Law School will moderate a discussion of "The Domestic Benefits of Multinational Competitiveness" by Edward Gresser of the Progressive Policy Institute, Stephen Entin of the Institute for Research on the Economics of Taxation, and Alan Reynolds of the Cato Institute." 

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