



May 8, 2025

Senator Thom Tillis  
United States Senate  
113 Dirksen Senate Office Building  
Washington, DC 20510

Dear Senator Tillis,

We, the undersigned organizations, write to express our strong support for your legislation, S.1605, the *International Competition for American Jobs Act*. U.S. international tax provisions are crucial in supporting the competitiveness of American companies in global markets. We will be urging Congress to give this measure serious consideration as it would dramatically increase the ability of the United States to attract new global investments.

The 2017 Tax Cuts and Jobs Act (TCJA) substantially improved the overall competitiveness of the U.S. tax system, notably by reducing the corporate tax rate to 21% (similar to the rate in many other advanced economies). The TCJA also ended corporate inversions, more than doubled foreign royalties paid to the United States due to repatriation of intellectual property to the United States, and increased the domestic share of jobs, investment, income, and research and development (R&D) of U.S. multinational companies. The increased domestic share of U.S. multinational company activity represents 1 million more employees, \$30 billion more in capital expenditures, \$117 billion in sales and \$11.9 billion in R&D in the United States. We strongly believe that the intent of that legislation to support domestic job creation, investment and innovation should be preserved. With that in mind, developments since enactment have highlighted several areas where modifications to TCJA, consistent with its original intent, would more effectively achieve the competitive tax system lawmakers were seeking in 2017 for U.S. companies operating abroad.

This legislation would better align the U.S. tax code with the direction Chairman Crapo sought for the TCJA's international reforms almost two years ago. The need for that greater alignment is even more compelling now. The Chairman stated, "TCJA is a vast improvement over the prior system. Of course, we should not rest on our laurels. In the changing global landscape, we should consider refinements that would allow U.S. companies to further invest and expand domestically without harming their ability to compete globally."

The original 2022 version of the *International Competition for American Jobs Act* addresses many of these issues and follows Chairman Crapo's direction, including among other things:

permanently extending the controlled foreign corporation (CFC) look-thru rule; preserving current deductions for foreign derived intangible income (FDII) and global intangible low-taxed income (GILTI); fixing the base erosion and anti-abuse tax (BEAT) to better protect tax credits and avoid penalizing payments to high-tax jurisdictions; restoring the limitation on downward attribution of stock ownership; limiting double taxation of GILTI by allowing carryover of net tested loss and not reducing the foreign tax credit due to U.S. expenses that are not directly related to GILTI; and simplifying redetermination of foreign taxes and related claims.

The current version builds upon these much-needed improvements with additional pro-growth reforms including enhancements to the FDII regime by limiting the extent to which a company's domestic interest expense or an increase in its capital investment in the United States reduces the company's FDII benefit. Investing in the United States should not decrease the benefits of having valuable intellectual property in the United States nor should there be an imbalance between the effective FDII and GILTI rates.

Further, the bill simplifies the international tax rules by reducing the number of foreign tax credit 'baskets,' clarifying that the 'participation exemption' for foreign dividends applies equally to dividends received by foreign subsidiaries as well as dividends received directly by the U.S. parent, and repealing section 956, consistent with the intent of Congress,<sup>i</sup> a provision which is largely deadwood because of the TCJA reforms.

Each of the proposed changes would contribute to economic growth and job creation while offering certainty and clarity for long-term business planning. Collectively, enacting these changes would signal Congress' clear commitment to fostering an environment in which American companies grow and strengthen the domestic U.S. economy while competing and leading globally.

Our organizations' member companies span the full spectrum of industrial, commercial, financial, and service activities and account for a sizable portion of U.S. GDP, exports, investment and workforce. We are encouraged by your support for the global competitiveness of U.S. businesses and will enthusiastically discuss the provisions and impact of the *International Competition for American Jobs Act* with your Congressional colleagues.

Sincerely,

Alliance for Competitive Taxation  
American Bankers Association  
American Petroleum Institute  
Business Roundtable  
Global Business Alliance

Information Technology Industry Council  
National Association of Manufacturers  
National Foreign Trade Council  
U.S. Chamber of Commerce  
United States Council for International Business

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<sup>i</sup> See H.R. Rep No. 115-466 at 599 n. 1486 (2017).