

August 10, 2017

The Honorable Steven Mnuchin  
Secretary of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

Dear Secretary Mnuchin:

Pro-growth tax reform is a high priority for the undersigned organizations, which collectively represent businesses and taxpayers from every sector of the economy. We appreciate the focus and determination from the Administration as you work with leaders in the House and Senate to advance permanent, comprehensive tax reform. We stand ready to work with your team to ensure its passage.

We write today to highlight an important issue to all of our organizations—the tax treatment of offshore earnings in moving to a territorial tax system. Specifically, we ask that the transition to a territorial system include a two-rate approach in taxing foreign earnings that distinguishes between short-term cash reserves and income reinvested in other assets.

Many U.S. multinationals have operated and competed overseas for decades and have reinvested significant capital or have made acquisitions of foreign businesses or other investments. Imposing a significant tax on their overseas assets will reduce the ability of these U.S. global companies to remain competitive.

Consequently, we support a bifurcated approach that would apply one tax rate to accumulated foreign earnings held passively in cash and cash equivalents and a separate tax rate to accumulated foreign earnings invested in other assets, recognizing that we represent a broad range of industries and the bifurcated rate should be applied fairly to all.

We also support efforts to allow companies to pay this tax liability over a period of at least eight years with no interest charge.

Thank you in advance for considering our request. Our organizations look forward to continue working with you and your staff on historic, pro-growth, pro-competitiveness tax reform.

Sincerely,

Aerospace Industries Association	Motor & Equipment Manufacturers Association
Alliance for Competitive Taxation (ACT)	NAHAD - The Association for Hose &
American Chemistry Council	Accessories Distribution
American Coatings Association	National Association of Manufacturers
American Fiber Manufacturers Association	National Association of Printing Ink Manufacturers
American Forest & Paper Association	National Foreign Trade Council
American Fuel & Petrochemical Manufacturers	National Taxpayers Union
AMT - The Association For Manufacturing	Nebraska Chamber of Commerce & Industry
Technology	New Mexico Business Coalition

Associated Industries of Florida	Northeast PA Manufacturers &
Associated Industries of Massachusetts	Employers Association.
Association of Equipment Manufacturers (AEM)	Ohio Chamber of Commerce
Business & Industry Association of New Hampshire	Pennsylvania Chamber of Business and Industry
Business Roundtable	Plastics Industry Association
California Manufacturers & Technology Association	Plumbing Manufacturers International
CompTIA	Rhode Island Manufacturing Association
Consumer Specialty Products Association	Semiconductor Industry Association
Edison Electric Institute	Silicon Valley Leadership Group
Electronic Components Industry Association	Society of Chemical Manufacturers & Affiliates (SOCMA)
Financial Executives International	TAPPI
General Aviation Manufacturers Association	Technology CEO Council
Georgia Association of Manufacturers	Tennessee Chamber of Commerce / Tennessee Manufacturers Association
Greater Pittsburgh Chamber of Commerce	Texas Assn of Manufacturers
Illinois Manufacturers' Association	Texas Association of Business
INDA, The Association of the Nonwoven Fabrics Industry	The Business Council of New York State, Inc.
Information Technology Industry Council	The New England Council
International Housewares Association	U.S. Chamber of Commerce
Iowa Association of Business and Industry	Valley Industrial Association
Metal Powder Industries Federation	Wisconsin Manufacturers & Commerce

cc:

The Honorable Mitch McConnell, Senate Majority Leader  
The Honorable Paul Ryan, Speaker of the House  
The Honorable Orrin Hatch, Chairman, Senate Finance Committee  
The Honorable Kevin Brady, Chairman, House Ways & Means Committee  
Mr. Gary Cohn - Director, National Economic Council