

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  
American Chemistry Council  
American Coatings Association  
American Fiber Manufacturers Association  
American Forest & Paper Association  
American Fuel & Petrochemical Manufacturers  
AMT - The Association For Manufacturing  
Technology  
Associated Industries of Florida  
Associated Industries of Massachusetts  
Association of Equipment Manufacturers (AEM)

Business & Industry Association of New  
Hampshire  
Business Roundtable  
California Manufacturers & Technology  
Association  
CompTIA  
Consumer Specialty Products Association  
Edison Electric Institute  
Electronic Components Industry Association  
Financial Executives International  
General Aviation Manufacturers Association

Georgia Association of Manufacturers  
Greater Pittsburgh Chamber of Commerce  
Illinois Manufacturers' Association  
INDA, The Association of the Nonwoven  
Fabrics Industry  
Information Technology Industry Council  
International Housewares Association  
Iowa Association of Business and Industry  
Metal Powder Industries Federation  
Motor & Equipment Manufacturers Association  
NAHAD - The Association for Hose &  
Accessories Distribution  
National Association of Manufacturers  
National Association of Printing Ink  
Manufacturers  
National Foreign Trade Council  
National Taxpayers Union  
Nebraska Chamber of Commerce & Industry  
New Mexico Business Coalition  
Northeast PA Manufacturers &  
Employers Association.

Ohio Chamber of Commerce  
Pennsylvania Chamber of Business and Industry  
Plastics Industry Association  
Plumbing Manufacturers International  
Rhode Island Manufacturing Association  
Semiconductor Industry Association  
Silicon Valley Leadership Group  
Society of Chemical Manufacturers &  
Affiliates (SOCMA)  
TAPPI  
Technology CEO Council  
Tennessee Chamber of Commerce / Tennessee  
Manufacturers Association  
Texas Assn of Manufacturers  
Texas Association of Business  
The Business Council of New York State, Inc.  
The New England Council  
U.S. Chamber of Commerce  
Valley Industrial Association  
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