

U.S. DEPARTMENT OF THE TREASURY

READOUT: U.S. Department of the Treasury's Office of Tax Policy Meetings

May 20, 2021

Over the last two days, leaders from the Office of Tax Policy at the U.S. Department of the Treasury participated in meetings with the Steering Group of the Inclusive Framework on base erosion and profit shifting (BEPS) as part of the Organization for Economic Cooperation and Development (OECD) / G20 international tax negotiations. As part of those meetings, discussions on the global corporate minimum tax rate began in earnest.

Treasury expressed its belief that the international tax architecture must be stabilized, that the global playing field must be fair, and that we must create an environment in which countries work together to maintain our tax bases and ensure the global tax system is equitable and equipped to meet the needs of for the 21st century global economy. It is imperative to work multilaterally to end the pressures of corporate tax competition and corporate tax base erosion. Treasury reiterated that with the global corporate minimum tax functionally set at zero today, there has been a race to the bottom on corporate taxes, undermining the United States' and other countries' ability to raise the revenue needed to make critical investments. Treasury made clear that a global corporate minimum tax rate would ensure the global economy thrives based on a more level playing field in the taxation of multinational corporations, and would spur innovation, growth, and prosperity while improving fairness for middle class and working people.

Treasury proposed to the Steering Group that that the global minimum tax rate should be at least 15%. Treasury underscored that 15% is a floor and that discussions should continue to be ambitious and push that rate higher.

Treasury was heartened by the positive reception to its proposals and the unprecedented progress being made towards establishing a global corporate minimum tax.

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