



Coalition for Tax Competition

May 12, 2016



Dear Senators and Representatives:

With release of the final reports on Base Erosion and Profit Shifting (BEPS), there can be no doubt that the Organization for Economic Cooperation and Development (OECD) is no friend to the United States. For this reason it should no longer be subsidized by American taxpayers.



In FY 2015, the United States sent \$74 million to the OECD. The U.S. is also its single largest contributor. Despite the OECD's reliance on American taxpayer funds, it persistently works against their interests.



The OECD has long worked to undermine tax competition, which high-tax nations view as an obstacle to new revenue grabs. To this end the organization directs economic and social pressure against low-tax jurisdictions or those that value individual privacy, violating their fiscal sovereignty.



Reducing tax competition results in an overall higher tax environment and a weaker global economy. Without the checks on political greed that competition affords, taxpayers inevitably suffer.

With the BEPS project the OECD has taken this agenda to a new level and targeted American corporations for a massive tax grab. Onerous and excessive new reporting requirements also put trade secrets unrelated to tax assessment into the hands of unscrupulous governments and makes proprietary data vulnerable to unauthorized access by third parties.



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To add insult to injury, OECD bureaucrats receive tax-free salaries subsidized by U.S. taxpayers and then advocate for higher taxes on everyone else to fund bigger government. Recently the organization has sought to undermine fiscal responsibility, and the ongoing efforts in several countries to eliminate government red ink, through a call for an “urgent” new Keynesian spending binge. Over the years it has also suggested a new value-added tax in the United States, making the personal income tax even more redistributive, and costly new mandates on wage rates and family leave policies.



The OECD is no friend to the American taxpayer. It works consistently to undermine American interests in the global economy. If the United States is not going to take a greater role in setting the OECD's agenda to ensure it aligns with America's interests, then it should at the very least stop funding its efforts.

**TAXPAYERS
PROTECTION
ALLIANCE**

Sincerely,



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