



HR0044

LRB096 06336 JDS 16419 r

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HOUSE RESOLUTION

2           WHEREAS, The United States Tax Code requires income earned  
3 in the United States by American firms to be taxed at the 35%  
4 corporate income tax rate, but allows foreign subsidiaries of  
5 these same firms to defer payment of corporate income tax on  
6 income earned in a foreign jurisdiction until that income is  
7 returned to the United States; and

8           WHEREAS, Neither the United States Tax Code nor Internal  
9 Revenue Service regulations require American firms to  
10 repatriate foreign income for the purpose of taxation; and

11           WHEREAS, This loophole has allowed American firms, such as  
12 General Electric, Pfizer, and Exxon-Mobil, to collectively  
13 park more than \$500 billion in "undistributed earnings"  
14 offshore; and

15           WHEREAS, A recent study concludes that these foreign income  
16 deferrals caused the federal government to lose \$17.4 billion  
17 in tax revenue in the year 2004 alone and simultaneously caused  
18 more economic growth in other countries and less here at home;  
19 and

20           WHEREAS, This loophole harms the State of Illinois by  
21 decreasing its tax base and encouraging corporate investment

1 outside the United States; and

2 WHEREAS, During the 110th U.S. Congress, Senator Barack  
3 Obama (now, President Obama), Senator Hillary Clinton (now,  
4 Secretary of State Clinton), and Senator Richard Durbin took  
5 steps to alleviate this problem by sponsoring a bill in the  
6 U.S. Senate titled the Patriot Employers Act; and

7 WHEREAS, The Patriot Employers Act would have made a 1% tax  
8 credit available to firms that retain their headquarters in the  
9 United States and maintain or increase the number of their  
10 full-time workers in the United States relative to the number  
11 of their full-time workers outside of the United States; and

12 WHEREAS, The 110th Congress came to a close without passage  
13 of that bill, and a comparable bill has yet to be introduced in  
14 the 111th Congress; therefore, be it

15 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE  
16 NINETY-SIXTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we  
17 urge the members of Congress to introduce and give full  
18 consideration to a bill comparable to the Patriot Employers Act  
19 in order to ensure that American firms contribute their fair  
20 share to our society's social welfare; and be it further

21 RESOLVED, That suitable copies of this resolution be

1 presented to the Speaker and Minority Leader of the U.S. House  
2 of Representatives, the Majority and Minority Leaders of the  
3 U.S. Senate, and each member of the Illinois congressional  
4 delegation.