



HR0044 Enrolled

LRB096 06336 JDS 16419 r

1 HOUSE RESOLUTION 44

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 to  
12 collectively park more than \$500 billion in "undistributed  
13 earnings" offshore; and

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

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

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

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

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

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

20          RESOLVED, That suitable copies of this resolution be  
21          presented to the Speaker and Minority Leader of the U.S. House

1 of Representatives, the Majority and Minority Leaders of the  
2 U.S. Senate, and each member of the Illinois congressional  
3 delegation.