United States Senate
WASHINGTON, DC 20510

March 2, 2004

Let's Stop Rewarding Companies That Move American Jobs Offshore!

Dear Colleague:

We are intending to offer an amendment to the Jumpstart Our Business Strength (JOBS) Act to repeal a perverse federal tax subsidy that rewards U.S. firms that export U.S. jobs overseas.

The special tax subsidy at issue is called "deferral." The way it works is quite simple. If a U.S. company moves a manufacturing operation abroad, it can defer U.S. taxes on its profits until it sends those profits back to the United States. This rewards U.S. companies that move American jobs offshore.

Our amendment is carefully targeted: It ends tax deferral only where U.S. multinationals produce goods abroad and ship those products back to the U.S. market. It will not impede the ability of U.S. firms to compete and grow in the global economy.

We believe that Congress should act now to protect American jobs and to prevent any further erosion of our domestic manufacturing base. Although some companies may still choose to dislocate thousands of workers in America in search of greater profits overseas, U.S. taxpayers should not be asked to provide billions of dollars in tax subsidies to encourage them to do so.

If you would like to become an original cosponsor of our amendment, or if you have any additional questions about the proposal, please call us or have your staff contact Allen Huffman with Senator Dorgan's office at 224-4304 or Lara Muldoon with Senator Mikulski's office at 224-8871. Thank you for your consideration.

Sincerely,

Byron L. Dorgan
U.S. Senator

Barbara A. Mikulski
U.S. Senator