



Pennsylvania Conference of Teamsters

Strength in Numbers 95,000

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LEGISLATIVE ACTION ALERT

Note: *The below listed information was sent by Robert Baptiste, Esq. legal counsel for the PA Conference of Teamsters*

“American Manufacturing Companies will only pay 10.5 % tax on the earnings of their foreign subsidiaries, compared to the new 21 % rate for domestic income. This is hardly an incentive to bring manufacturing jobs back to the US. How does this square with the publicity surrounding the tax legislation of bringing the jobs home to the US?”, said Baptiste.

The New York Times ©

Tax Law May Send Factories and Jobs Abroad, Critics Say

By NATALIE KITROEFFJAN. 8, 2018

According to the article “In Indiana, Missouri and Pennsylvania, President Trump used the same promise to sell the tax bill: It would bring jobs streaming back to struggling cities and towns.

“Factories will be pouring into this country,” Mr. Trump [told a crowd](#) in St. Charles, Mo., in November. “The tax cut will mean more companies moving to America, staying in America and hiring American workers right here.”

“The bill that Mr. Trump signed, however, could actually make it attractive for companies to put more assembly lines on foreign soil.”

The article goes on to explain that, under this newly enacted law, income made by American companies’ overseas subsidiaries will face U.S. taxes that are half the rate applied to their domestic income, 10.5 percent compared with the new top corporate rate of 21 percent.

Stephen E. Shay, a senior lecturer at Harvard Law School and a Treasury Department official during the Reagan and Obama administrations stated in the article that “Having such a low rate on foreign income is outrageous,” he said. Mr. Shay further stated that “It creates terrible incentives.”

To view and read the entire NYT© article go to:

https://www.nytimes.com/2018/01/08/business/economy/gop-says-tax-bill-will-add-jobs-in-us-it-may-yield-more-hiring-abroad.html?_r=0

