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**STATEMENT OF CHUCK MARR,  
DIRECTOR OF FEDERAL TAX POLICY,  
ON THE ADMINISTRATION'S INTERNATIONAL TAX PROPOSAL**

The Administration's proposal is a welcome step forward in tax policy because it would make the tax code more balanced, support research and development, and promote fiscal responsibility.

Specifically, it would tighten lax international tax rules and crack down on foreign tax havens, and it would use the resulting proceeds to finance a permanent incentive for companies to invest in research and development, as well as for long-term deficit reduction.

A 2007 study by the Bush Administration's Treasury Department found that the corporate tax burden is lower, on average, in the United States than in other developed countries.

In addition, the Government Accountability Office has found that the United States collects only a very small amount of revenue on U.S. corporations' foreign-source income. In 2004, U.S. multinational corporations earned roughly \$700 billion abroad but paid only \$16 billion to the IRS on these earnings.

The Obama proposal recognizes the current context — our nation's grave fiscal outlook, a relatively low corporate tax burden by comparison to other countries, and a broken international tax regime — and advances a balanced approach that warrants careful consideration.

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