



# **Durbin introduces American Business for American Companies Act**

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WASHINGTON – U.S. Senators Dick Durbin (D-IL) and Jack Reed (D-RI) and U.S. Representative Rosa DeLauro (D-CT-03) today introduced the American Business for American Companies Act, which would extend the year-to-year government-wide ban on federal contracts for inverted corporations by moving it out of the annual appropriations process and into permanent law. It also eliminates loopholes in the current law that have allowed inverted corporations to bid for, and win, federal contracts, despite the ban currently in place.

Corporate inversions allow U.S. companies to shift their corporate citizenship from the United States to a low-tax foreign jurisdiction, even while keeping their executives and headquarters in the United States. This is accomplished by merging with a foreign company that can be as little as 1/5 of the size of the U.S. corporation and results in large and permanent tax breaks. Unlike other tax loopholes that can be closed on a year to year basis, a tax inversion is a permanent change in a corporation's structure.

“When corporations choose to invert and don't pay their fair share of taxes, they leave the rest of us high-and-dry. It's known as corporate inversion but some call it corporate desertion,” Durbin said. “To add insult to injury, these companies are able to run away from their responsibilities and still be rewarded with government contracts. Where's the fairness in that? Congress must close this loophole once and for all.”

“Closing the inversion loophole will protect American taxpayers and businesses that pay their fair share. Our bill would help put a stop to the corporate shell game that allows some companies to shift their address abroad for tax purposes while remaining in the U. S. and increasing the tax burden on middle-class families and Main Street businesses,” Reed said. “Large multinational corporations are exploiting the current system and this is a pragmatic, sensible solution to put a stop to inversions and corporate tax dodging.”

“We cannot continue to allow corporations to pretend that they are American companies, reaping the benefits this country has to offer, all while claiming to be another nationality when the tax bill comes,” DeLauro said. “Those corporations are cheating the American people out of revenue that could make a real difference in the lives of children and families, so that they can dodge taxes and gouge prices.”