



Conservative Coalition Supports Senate Effort to Close “Bermuda Tax Triangle” Loophole and Protect American Jobs

Washington D.C. – On behalf of the following free-market groups and organizations, together representing Americans from coast to coast, we urge you to support the Senate’s Anti-Base Erosion Provision, which removes an unfair advantage favoring foreign insurers over U.S.-headquartered companies. Under current U.S. tax law, foreign based insurers are able to transfer profits to affiliates in offshore tax-havens tax free, but does not afford equal treatment to U.S. based insurers.

As a candidate for President, Donald Trump touched a nerve with voters by pointing out that our tax code is unfair to American companies and employees. One such unfair provision is the insurance tax-haven loophole, which has discriminated against the American insurance industry for over three decades. The proposed Senate tax bill removes the incentive that foreign companies currently exploit to shift thousands of American jobs overseas and avoid paying U.S. taxes. The federal government should never reward or encourage companies to make decisions at the expense of U.S. taxpayers and jobs.

The Senate tax bill includes strong anti-base erosion measures that will go a long way in stopping foreign companies from gaming the U.S. tax code. It is imperative that Congress resist any desperate attempts by foreign insurers to weaken the language thereby preserving their loophole.

Foreign insurance companies are using misleading talking points to prevent a level playing field for U.S. companies. While their inaccurate claims alleging reduced capital and increased prices confuse the public discussion, the bottom-line is they want to avoid paying U.S. taxes and continue gaming the system. The Senate bill would merely require foreign companies to pay U.S. taxes on their U.S. generated insurance business instead of allowing them to use offshore affiliates to strip earnings.

Preserving a loophole for foreign insurers undermines the very foundation of the tax reform effort being considered on Capitol Hill.

At a time when companies are inverting, and the American people are demanding action against corporate tax avoidance, it is long overdue that Congress close the loophole. We urge Congress to support the provision in the Senate bill.

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