June 5, 2025

The Honorable John Thune
Majority Leader of the United States Senate
511 Dirksen Senate Office Building
United States Senate
Washington, D.C. 20510

The Honorable Mike Crapo
Chairman, Senate Finance Committee
239 Dirksen Senate Office Building
United States Senate
Washington, D.C. 20510

Dear Majority Leader Thune and Chairman Crapo,

The undersigned business associations represent a broad cross-section of U.S. employers across diverse industries including manufacturing, technology, retail, financial services, agriculture, and energy, among others. Our members employ millions of American workers, building and investing in communities across the country. As the budget reconciliation process advances, we urge you to uphold the pro-growth principles embedded in the Tax Cuts and Jobs Act (TCJA) and avoid tax increases that would undermine American jobs, innovation, and long-term economic growth.

While much of the "One Big, Beautiful Bill" (OBB) continues to build off the success of TCJA, the House-passed OBB draft includes retaliatory provisions through proposed Section 899 that risk undercutting foreign direct investment by substantially increasing withholding taxes on payments from U.S. subsidiaries to foreign parents and creating a punitive "Super BEAT." These measures disproportionately impact U.S. subsidiaries of international companies based solely on their global organizational structure in reaction to international tax initiatives such as the OECD's Pillar Two framework. This discriminatory measure undermines President Trump's goal to position the U.S. as the best place to do business, with foreign investment as a crucial centerpiece bolstering U.S. economic dominance.

The Joint Committee on Taxation's (JCT) cost estimate confirms as much, expecting the measure to lose nearly $13 billion in revenue in 2033 and 2034. The signal is clear, targeted employers will pull back on investment and their operations in the U.S., hurting American workers not foreign governments.

These provisions also risk prompting retaliatory action by foreign governments against U.S.-headquartered companies, further destabilizing an already fragile international tax environment. By targeting U.S. subsidiaries of foreign-based companies, the legislation may be perceived as a hostile and unilateral tax maneuver, inviting foreign jurisdictions to respond in kind. Such retaliation could take the form of accelerated adoption or expansion of discriminatory measures, including digital services taxes (DSTs), withholding taxes, or new extraterritorial regimes aimed squarely at U.S. multinationals. Instead of advancing U.S. interests, this approach may trigger a cycle of escalating tax measures that harm American exporters, investors, and workers.

Rather than advancing measures that risk harming American workers and investment, Congress should reaffirm U.S.' leadership as the world's premier destination for business growth and innovation. U.S. employers need a predictable, competitive tax framework that welcomes investment and facilitates job creation.

We strongly support the broader goals of promoting U.S. economic strength and competitiveness. We encourage you to move forward with pro-growth budget reconciliation legislation that does not include Sec. 899.

Sincerely,

American Coalition of Global Reinsurers
Autos Drive America
Britishamerican Business
Canadian American Business Council
Essential Minerals Association
Global Business Alliance
MEMA, the Vehicle Suppliers Association
Personal Care Products Council