

Report Urges Simplification Of International Tax Statutes

TAXES

U.S. INTERNATIONAL tax policies are not in line with those of other industrialized nations and hinder the ability of U.S. multinational corporations to compete, according to a study released Wednesday by the National Foreign Trade Council.

The report, "International Tax Policy for the 21st Century," recommends simplifying tax rules to increase compliance, altering the foreign tax credit to prevent double taxation and repealing rules that prevent U.S. multinational companies from reducing their foreign taxes to increase their competitiveness.

"The world is much different today ... than when the rules were put on the books," said Fred Murray, the NFTC's vice president for tax policy. "Globalization of business has accelerated at a rate no one could have anticipated even 10 years ago."

In a comparison with six other industrialized countries, the report notes that U.S. policies are out-of-step.

"The U.S. is not only out-of-step with the rest of the world, but it is shockingly out-of-step with the rest of the world," said Phil Morrison, a member of the report's drafting team.

Murray added that the NFTC sup-

ports legislative efforts by **Senate Finance Chairman Baucus** and **Sen. Orrin Hatch**, R-Utah, as well as **Reps. Amo Houghton**, R-N.Y., **Sam Johnson**, R-Texas, and **Sander Levin**, D-Mich., to simplify international tax policy.

The lawmakers are working on the "International Tax Simplification for American Competitiveness Act of 2002."

"It's a competitive world," said Baucus, who appeared at the news conference. "We, as Americans, can no longer afford the luxury of being easy on these issues."

— *By STEPHANIE CONNER*