



## Press Release

# ICYMI: Why ‘GILTI’ Must be Fixed

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Today *The Hill* featured an op-ed authored by Douglas Holtz-Eakin, President of the American Action Forum and James Carter, former deputy assistant secretary of the Treasury and deputy undersecretary of Labor under President George W. Bush on the negative economic effects of the new GILTI tax. See excerpt below:

**“A central plank of the TCJA was to improve the incentives to innovate and invest, and to make U.S.-based multinationals more internationally tax-competitive. A key part of this effort was to move toward a more territorial-based corporation tax, with minimum taxes like that on GILTI to ensure compliance. Now, however, those intentions are being violated as companies without intangible-related income are being swept up in the GILTI tax, and they are being taxed at rates above the new 21 percent statutory corporate rate. What happened? The logic of the GILTI tax was impeccable: in those circumstances where the level of reported income was inordinately high compared to the depreciable assets that would generate income, presume this stems from geographically mobile intellectual property (IP) and levy a tax on income in excess of a normal rate of return.”**

[Click here](#) to read the op-ed.