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June 7, 2013

President Barack Obama
The White House
1600 Pennsylvania Ave. NW
Washington, DC 20005

Dear Mr. President:

As business leaders, we are writing to urge you to support the efforts of Prime Minister David Cameron and other world leaders to develop shared strategies for ending offshore tax abuse and addressing corporate tax avoidance through aggressive profit shifting when you represent the United States at the upcoming G8 meetings.

When companies play one country's tax laws against another, and have developed a system in which their international subsidiaries hold billions of dollars of profits untaxed in any nation, this is a problem for all nations. It is also a problem for our country's small and mid-size businesses.

America's businesses, especially small and medium sized companies, understand that the current corporate tax system is badly broken. It provides powerful incentives to shift investment and jobs offshore. The biggest crisis small business owners face is the lack of spending power in this country. It is easy to make the connection that unemployed and underemployed people can't be our customers, and their lost income can't circulate and enliven the economies of our communities.

American small businesses are angry that they are subsidizing large multinational corporations who have lobbied for, won and use tax loopholes that in many cases allow them to avoid paying any federal income taxes despite reporting billions of dollars of profits to shareholders. These very same companies are now using their political clout to argue for failed policies like a territorial tax system that would only accelerate current problems.

America needs one corporate tax system -- one that is fair for all businesses, large and small.

These views are shared not only by the businesses we represent, but small business owners regardless of affiliation or party. Last year, ASBC, together with other business organizations, commissioned a nationwide, scientific poll of small business owners. [Ninety-one percent of the business owners surveyed said it was a problem when multinational corporations used accounting loopholes to shift their U.S. profits to offshore subsidiaries to avoid paying taxes.](#) Republicans outnumbered Democrats in the poll. Offshore tax abuse is not a Democratic issue or a Republican issue, it is an American issue. We agree with Prime Minister Cameron that it is a global issue as well.

This year, ASBC jointly commissioned another poll of independent small business owners, this time on specific pending tax proposals. [Eighty-five percent of small business owners said they opposed a shift to a territorial tax system for corporations \(including two-thirds of Republican small business owners polled\)](#). More than three-quarters of small business owners polled support replacing the current corporate tax system with a system based on formulary apportionment, and almost two-thirds support ending deferral and taxing the global profits of multinational firms with full offset for foreign taxes paid, as a means of addressing the inequities of the current system.

The American Sustainable Business Council and its members represent 165,000 small and medium sized businesses in all 50 states. These and many other businesses face many unmet needs in running their businesses. They suffer from our deteriorating infrastructure, which causes shipping delays and the need to carry extra inventory. They worry about water main breaks or power system failures that would cause them to close their doors while repairs are made. And too many struggle with access to capital needed to fund their on-going businesses and support expansion opportunities.

As concerned business leaders, we hope we can count on you to support efforts to close down the world's tax havens at the upcoming G-8 meeting and to insure that in this country we work toward revenue-positive corporate tax reform that demands that all businesses pay their fair share so that we have adequate revenue to invest in America's infrastructure, schools and small businesses, allowing all of our businesses to thrive and to be competitive in the 21st century global economy.

Sincerely,

David Levine, CEO
American Sustainable Business Council

Connie Evans, President and CEO
Association of Enterprise Opportunity

Frank Knapp, CEO
South Carolina Small Business Chamber

Holly Sklar, Executive Director
Business for Shared Prosperity

Ajax Greene, Executive Director
Re>Think Local (NY)

Michael Kramer, Executive Director
Sustainability Association of Hawaii

Paul Tarnoff, Executive Director
Iowa Sustainable Business Alliance

Mark McLeod, Executive Director
Sustainable Business Alliance (CA)

Michael Lapham, Executive Director
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Todd Larsen, Division Director
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