

Yellen says 'confident' US will implement global minimum tax

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US Treasury Secretary Janet Yellen, pictured on October 6, 2021, at the White House, said she was "confident" Congress would pass legislation to implement a global tax agreement.

US Treasury Secretary Janet Yellen said Sunday she was "confident"

Congress would pass legislation to implement a global tax agreement in the United States enacting a minimum international tax on big corporations.

The OECD-brokered deal, which sets a global tax of 15 percent, is aimed at stopping international corporations from slashing tax bills by registering in nations with low rates.

"I am confident that what we need to do to come into compliance with the minimum tax will be included in a reconciliation package," Yellen told ABC's "This Week," referring to the federal budget bill currently being debated in Congress.

The multi-trillion dollar spending package is the cornerstone of President Joe Biden's economic agenda.

Budget reconciliation is a political move that would allow Democrats, who control the House of Representatives and Senate by a slim majority, to act without Republican votes.

"I hope that... it will be passed and we will be able to reassure the world that the United States will do its part," Yellen said, praising the "historic" agreement.

The 136 nations now on board with the global tax agreement represent 90 percent of global gross domestic product.

Under the deal, they will be able to generate around \$175 billion in additional revenue.

The OECD said countries are aiming to sign a multilateral convention in 2022, with an eye on implementing the reform in 2023.

Each country in the deal must now incorporate the [agreement](#) into its own legislation. However, some questions remain, such as the Biden administration's ability to get the reform through Congress.

Democrats want to include the measure in the \$3.5 trillion infrastructure spending package, but their majority in the Senate is so small that the party cannot afford any defections among their ranks.

Two Democratic senators say the amount, which is intended to fundamentally reform US infrastructure and combat climate change, is too high.

The additional revenue from the international minimum tax would help finance Biden's plans.

In addition to the minimum rate, the 136 countries also agreed to re-allocate more than \$125 billion of profits from around 100 of the world's most profitable multinationals to countries worldwide.

This means companies will have to pay taxes in countries where they have business activities and earn profits, regardless of whether they have a [physical presence](#) here—a change that would affect big US tech firms such as Facebook.

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