



Storm brews over Obama's tax plan

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Major U.S. corporations are gearing up for a brawl with the White House about overseas tax breaks. President Obama wants to make big U.S. based international companies pay taxes both at home and abroad.

American corporations supported Barack Obama at the election. But now they may be having second thoughts, because the U.S.

president has a new plan: force American companies operating overseas to pay taxes not only to foreign governments, but to Uncle Sam as well.

"We really need to have a united business front because we all feel that we are under attack from the administration on that," said Catherine Shultz, Vice President for Tax Policy at the National Foreign Trade Council.

About 300 U.S. companies are fighting the White House to stop this. They say paying taxes abroad and being taxed even more at home would be devastating.

"By making these changes, we're not going to increase jobs in the U.S., we're likely to lose them because of all the suppliers and all the facilities in the United States that support those overseas operations," Catherine Shultz said.

And for this, Barack Obama is likely to lose support from some of the most powerful Americans.

Chris Edwards, Director of Tax Policy Studies at the CATO Institute says *"they are going to get a lot of pushback from major US corporations many of whom supported the Obama administration on other issues."*

According to Michael Lind, Policy Director for the Economic Growth Program at New America Foundation, *"this has alarmed a lot of the administrations' allies in the tech community which have been very supportive of President Obama."*

"Tech giants like Google and Cisco and others with important overseas operations would lose a considerable amount of money," he explained.

And the prospect of losing more money when big business is already struggling could turn best friends into foes.