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Dear Secretary O'Neill,


Tax competition promotes freedom and prosperity by forcing governments to keep tax rates under control. If high tax nations object to this process – because jobs and capital are moving to lower-tax jurisdictions, they should reduce their oppressive tax burdens. They certainly have the right to maintain high tax rates, but they also should bear the consequences. Under no circumstance should they be allowed to interfere with the sovereign right of other nations to adopt market-based tax and privacy laws.

This is why I am so troubled by the “information exchange” proposals being advocated by the European Union and the Organization for Economic Cooperation and Development. These international bureaucracies want to force low-tax nations to repeal financial privacy laws so Europe’s welfare states can tax income their residents earn in low-tax nations. Yet allowing governments to collect and swap private financial data would create what the House Majority Leader has accurately referred to as a “global network of tax police.”

As a member of the appropriations committee, I am particularly concerned that U.S. tax dollars are being used by the OECD to pursue policies that threaten our national interests. We are the world’s biggest beneficiary of tax competition, largely because of our attractive tax and privacy laws. Yet these are the types of policies that the OECD seeks to undermine.

Tax competition, financial privacy, and fiscal sovereignty should be celebrated rather than persecuted. I look forward to hearing how you plan to resist misguided information exchange proposals.

Sincerely,



Kay Granger
Member of Congress