Repatriation to the Tune of ‘Revolution’

By Pat Oglesby

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“Revolution” was written in 1968 by John Lennon and Paul McCartney. “If you go carrying pictures of Chairman Mao/You ain’t gonna make it with anyone anyhow” provides the meter for the last couplet in each stanza. The Beatles’ “Well, you know” lines are omitted. Youtube.com routinely lets people listen to the tune, as if that complied with copyright laws.

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You¹ say you want repatriation:
A tax-free corp’rate holiday.²
You talk about the job creation
That you’ll produce once you can pay
Big dividends out of the cash that you’ve stashed offshore;
But that didn’t work when we tried in two thousand four.³
Why don’t you go and pay

¹“You” here means many U.S.-based multinational corporations. As people who now have a right to address the public under Citizens United v. Federal Election Commission, 558 U.S. 50 (2010), they should be able to take it as well as they dish it out.

²“Tax holiday” is a common label for H.R. 1834, the Freedom to Invest Act of 2011, and S. 1671, the Foreign Earnings Reinvestment Act, which would provide an 85 percent dividends received deduction for dividends from foreign subsidiaries; that leaves a 5.25 percent maximum tax rate. Technically, “tax holiday” describes a giveaway in a source jurisdiction, like a temporary waiver of retail sales tax. The residence country income tax break at issue today should be called “retroactive territoriality,” since territorial systems often impose a small residual tax on foreign earnings, and since it applies to earnings accumulated before the date of enactment. For more on the name, see Center for New Revenue, “‘Tax Repatriation Holiday’: Choosing Words Strategically” (Feb. 18, 2012), available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1963951.


⁴The thrust of the argument, anyway, is new and different from the pre-2004 argument that repatriating firms would create jobs: Ken Kies says “reapatriated earnings can benefit the U.S. economy even if distributed to shareholders rather than being
Now, when you make a distribution,
The whole economy will climb.
But when you were shifting that income the rules were clear:
Pay tax on the income whenever you bring it here.
So go ahead and pay
That tax.
Your tax.
Your tax.

You say your plan will help the budget,7
But one good pop8 is all we’ll get.
We won’t misjudge it; you can’t fudge it:
Your scheme will just create more debt.
Now if in your fantasy our Uncle Sam should drown,9
You don’t give a damn if your schemes bring the country down.
We ought to make you pay
That tax.
Your tax.
Your tax.
Your tax.
Your tax.
Your tax.
Your tax.
Your tax.
Your tax.

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