

## United States Senate

August 25, 2014

President Barack Obama  
The White House  
1600 Pennsylvania Avenue NW  
Washington, D.C. 20500

Dear Mr. President,

I am concerned by the increasingly popular trend of American companies avoiding their corporate tax liability by merging with foreign companies to shift their legal addresses from the United States to low-tax countries. We can all agree that Congress has a responsibility to ensure a fair and efficient tax code, and it is my hope that we will quickly work to address this practice. However, if Congress is unable to achieve a temporary solution in the coming weeks, then I urge you and the Department of Treasury to use existing authority to stop the ongoing abuse of our current tax code.

Companies that utilize such inversions retain all the benefits of doing business in America, while avoiding the corporate tax liability of their American competitors. I regularly meet with American businesses that are committed to their local communities and to this country. Unfortunately, more than two dozen corporations in recent years have taken advantage of the current tax code to avoid taxes, thereby impeding the competitiveness of businesses that remain in the United States.

As you recognized in your tax reform proposal, the most effective way to curb such practices is through a corporate tax reform that increases the global competitiveness of domestic businesses. That is why Congress must get serious about the need for reform. While I remain committed to working with members on both sides of the aisle toward that goal, I am concerned that in the absence of short-term congressional action, more companies will shift their legal addresses overseas through inversions. For this reason, it is imperative that we put a temporary stop to this problem until Congress can achieve a long-term solution through tax reform.

In the absence of congressional action in the near-term, I urge you and the Department of Treasury to consider options, consistent with United States law and public policy, to end these corporate inversions until Congress can agree on a way to reform our tax code.

Sincerely,



Joe Donnelly  
United States Senator