

## House panel OKs proposal to require country-by-country financial reporting

The House Financial Services Committee voted along party lines May 12 to approve legislation that would direct the Securities and Exchange Commission to require publicly traded corporations with annual revenues of \$850 million or more to disclose certain tax and nontax information on a country-by-country basis. These reports would include basic information from a corporation on each of its subsidiaries, and country-by-country financial information that aggregates all of its subsidiaries in each country – including profits, taxes, employees, and tangible assets.

The Disclosure of Tax Havens and Offshoring Act (H.R. 3007) was introduced in the House by Financial Services Committee member Cindy Axne, D-Iowa, on May 11. A Senate companion bill was introduced by Maryland Democratic Sen. Chris Van Hollen the same day.

**URL:** [https://financialservices.house.gov/uploadedfiles/5.07.2021\\_bills-1173007ih.pdf](https://financialservices.house.gov/uploadedfiles/5.07.2021_bills-1173007ih.pdf)

In a joint release, Axne and Van Hollen explained that requiring corporations to disclose this information would allow the public to “see the extent to which [these companies] are abusing tax havens or offshoring jobs.” The corporations that would be subject to the legislation’s disclosure requirement already report this information to the IRS under an international OECD framework, Axne and Van Hollen said. Their proposal would “provide data on how international tax laws are working and where corporations are locating their business activities and taxes.”

Many congressional Democrats view the legislation as complementing a proposal in President Biden’s Made in America Tax Plan (the funding component of his American Jobs Plan) to require US multinational corporations to calculate their global intangible low-taxed income on a country-by-country basis. (For additional details on the Made in America Tax Plan, see *Tax News & Views*, Vol. 22, No. 19, Apr. 9, 2021.)

**URL:** [https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/210409\\_1.html](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/210409_1.html)

It is unclear when the House proposal will be brought to the floor for a vote by the entire chamber or if it will be considered as a stand-alone measure or as part of a larger tax package. Also unclear is when – or whether – the Senate version will be taken up in the Committee on Banking, Housing, and Urban Affairs.

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