

## Ways and Means subcommittee schedules hearing on Pillar Two issues

House Ways and Means Committee Chairman Jason Smith, R-Mo., and Tax Subcommittee Chairman Mike Kelly, R-Pa., announced this week that the Tax Subcommittee will hold a hearing on July 19 at 2:00 p.m. to examine issues related to the new global corporate minimum tax rules—known collectively as “Pillar Two”—that are being advanced through the OECD.

Pillar Two, which calls for jurisdictions to impose a minimum tax of 15 percent on the world’s largest multinational entities (MNEs) and includes several backstop rules to ensure these MNEs pay at least that level of tax on all of their worldwide income, has gained a broad base of support internationally but has hit a roadblock on Capitol Hill.

Although a specific agenda was not included in the hearing announcement, the title of the hearing—“Biden’s Global Tax Surrender Harms American Workers and Our Economy”—signals the likely tone of the discussion among the panel’s Republican majority.

Republican taxwriters in both chambers have long decried the OECD agreement that the Biden administration signed on to in 2021, and Chairman Smith has ratcheted up his criticism since taking the Ways and Means gavel earlier this year. Smith most recently has taken aim at Pillar Two’s undertaxed profits rule (UTPR), a final backstop to the minimum tax that some jurisdictions plan to enact. In late May, Smith and his GOP colleagues on the Ways and Means Committee introduced legislation that would impose retaliatory taxes—subject to annual increases—on the US income of foreign entities and individuals from countries implementing a UTPR or similar measure. (For prior coverage, see *Tax News & Views*, Vol. 24, No. 19, May 26, 2023.)

[URL: https://gop-waysandmeans.house.gov/wp-content/uploads/2023/05/Defending-American-Jobs-and-Investment.pdf](https://gop-waysandmeans.house.gov/wp-content/uploads/2023/05/Defending-American-Jobs-and-Investment.pdf)

[URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/TNV/230526\\_2.html](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2023/TNV/230526_2.html)

A witness list for the hearing was not available at press time.

— Michael DeHoff  
Tax Policy Group  
Deloitte Tax LLP

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

#### **About Deloitte**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 415,000 people worldwide make an impact that matters at [www.deloitte.com](http://www.deloitte.com).