

Statement from Secretary of the Treasury Janet L. Yellen on Today's Agreement of 130 Countries to Support a Global Minimum Tax for the World's Largest Corporations

July 1, 2021

Today is an historic day for economic diplomacy. For decades, the United States has participated in a self-defeating international tax competition, lowering our corporate tax rates only to watch other nations lower theirs in response. The result was a global race to the bottom: Who could lower their corporate rate further and faster?

No nation has won this race. Lower tax rates have not only failed to attract new businesses, they have also deprived countries of funding for important investments like infrastructure, education, and efforts to combat the pandemic. In the United States, this agreement will ensure that corporations shoulder a fair share of that burden.

Today's agreement by 130 countries representing more than 90 percent of global GDP is a clear sign: the race to the bottom is one step closer to coming to an end. In its place, America will enter a competition that we can win; one judged on the skill of our workers and the strength of our infrastructure. We have a chance now to build a global and domestic tax system that lets American workers and businesses compete and win in the world economy.

President Biden has spoken about a "foreign policy for the middle class," and today's agreement is what that looks like in practice.

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