

Statement by Secretary of the Treasury Janet L. Yellen on the OECD Inclusive Framework Announcement



October 8, 2021

Today's agreement represents a once-in-a-generation accomplishment for economic diplomacy. We've turned tireless negotiations into decades of increased prosperity – for both America and the world.

As of this morning, virtually the entire global economy has decided to end the race to the bottom on corporate taxation. In its place, more than 130 nations – including all 20 in the G20 – have agreed to a new and specific set of provisions to uniformly tax the income of multinational companies, including a global minimum tax. Rather than competing on our ability to offer low corporate rates, America will now compete on the skills of our workers and our capacity to innovate, which is a race we can win.

This deal is a victory for American families, who will benefit from the revenues this deal raises to pay for infrastructure, child care, and clean energy; it's a win for American businesses, which will no longer have to compete on an international playing field tilted against them; it's a victory for the international business community, which will enjoy a more stable and certain environment, with fewer tax and trade disputes; and it's a victory for the members of Congress who have drafted their own international tax reform proposals. This deal paves the way for Congress to enact those proposals, and I'm hopeful they'll do so swiftly through the reconciliation process.

International tax policymaking is a complex issue, but the arcane language of today's agreement belies how simple and sweeping the stakes are: when this deal is enacted, Americans will find the global economy a much easier place to land a job, earn a living, or scale a business. President Biden often talks about a “foreign policy for the middle class.” Today, is what foreign policymaking for the middle class looks like in practice.

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