

U.S. DEPARTMENT OF THE TREASURY

Statement from Secretary of the Treasury Janet L. Yellen on the European Union Directive Implementing a Global Minimum Tax

December 16, 2022

WASHINGTON — Secretary of the Treasury Janet L. Yellen released the following statement following the directive of the European Union to move forward with implementing a global minimum tax on corporations.

“I welcome the decision by all 27 member states of the European Union to adopt a Directive implementing a global minimum tax on corporations. This momentous act means that the OECD/G20 Inclusive Framework political agreement on international tax will be implemented by one of the world’s leading economic groupings.

The rules we agreed on last year at the OECD/G20 Inclusive Framework will reform the international tax system and make it fit for purpose for the 21st century. The United States led the world in being the first to adopt a minimum tax on the foreign earnings of domestically parented multinational enterprises, and both I and the President remain deeply committed to take the additional steps needed to implement this agreement, too. This historic agreement helps level the playing field for U.S. business while protecting U.S. workers.

Crucially, implementing this international tax deal will change the world’s corporate tax system to benefit American workers and middle-class families. In the United States, rather than being rewarded for moving operations overseas, companies will be incentivized to keep jobs and headquarters at home. And rather than tax havens keeping the profits of U.S. companies, those profits can instead flow back to the United States, allowing us to further invest in our infrastructure, our economy, and our people.”