

# Congress of the United States

Washington, DC 20515

April 26, 2012

The Honorable Pat Tiberi  
Chairman  
House Ways and Means Committee  
Subcommittee on Select Revenue Measures  
106 Cannon House Office Building  
Washington, DC 20515

The Honorable Richard Neal  
Ranking Member  
House Ways and Means Committee  
Subcommittee on Select Revenue Measures  
2208 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Tiberi and Ranking Member Neal:

We write to you today to thank you for holding this hearing to examine the package of “tax extenders,” many of which expired at the end of 2011. The expiration of many of these provisions causes great uncertainty to the business community, and we hope that Congress will act soon to advance appropriate legislation through regular order.

We urge the Committee to include CFC Look-Through in tax extenders legislation. The CFC Look-Through provision, codified as Section 954(c)(6) of the Internal Revenue Code of 1986, represents an important way to ensure that the tax laws of this country put worldwide American companies on a level playing field with their counterparts from other jurisdictions. It is crucial that this provision not only be extended, but that it become a permanent feature of the tax laws of this country. The bill which we support, H.R. 2735, would make this provision a permanent feature of the tax law, allowing for greater fairness and planning.

CFC Look-Through allows payments of dividends, interest, rents, or royalties in the normal course of active business operations between U.S. owned foreign subsidiaries to remain deployed in the business without an immediate U.S. tax burden. It does not apply to passive, highly mobile income. Along with many other provisions, CFC Look-Through expired on December 31, 2011.

The CFC Look-Through provision enables greater competitiveness and simplified business planning for American companies with activities abroad. In enacting the provision in 2006, the Congress wisely chose to recognize that it would result in similarly situated taxpayers being treated equally. Because of CFC Look-Through, worldwide American companies can do as their foreign counterparts can do, and redeploy active foreign earnings for efficient use in the activities of their businesses.

We hope that the Committee will pass legislation sooner rather than later that includes an extension of CFC Look-Through.

Sincerely,



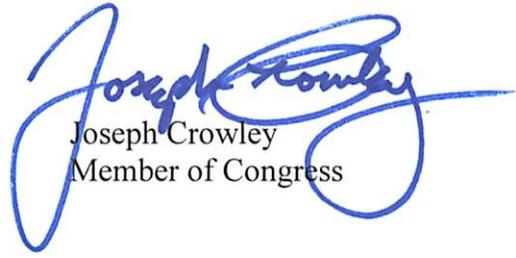
Charles Boustany Jr., MD  
Member of Congress



Ron Kind  
Member of Congress



Bill Pascrell  
Member of Congress



Joseph Crowley  
Member of Congress



Aaron Schock  
Member of Congress



Lynn Jenkins  
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Tom Reed  
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