

THE TEXAS STATE CHAMBER

November 16, 2021

Dear Congressmen,

Thank you for your leadership. As conversations continue around the reconciliation package, we want to outline concerns on behalf of the Texas business community.

Our nation is at a critical juncture in our economic recovery. Employers are still struggling to find workers and stock shelves due to disruptions in our supply chain. Americans are seeing inflation unfold in real time. While we recognize the good intentions behind legislative efforts, we fear various tax increases could prolong these pain points, leading to increased inflation, reduced wages, and fewer jobs — particularly for energy and manufacturing.

The nature of these sectors, which go hand-in-hand, requires international supply chains and multinational locations to compete on a global scale. These tax hikes hurt their ability to do so, and small businesses that work with these companies will be caught in the crosshairs.

Our chief concern is the global minimum tax being raised anywhere from 15%-21%. It has been shown that a rate increase to 21% would be devastating for Texas and could [cost our state 107,000 jobs alone](#). Further raising the rate to 15% as is included in the revised House version of the bill, still stands to [cost our nation up to 1 million jobs](#) and [reduce U.S. GDP by 0.1%](#).

Currently, the U.S. is the only country in the Organization for Economic Cooperation and Development (OECD) that taxes the global income of its multinationals. Recently, countries in the OECD agreed to a minimum 15% tax rate, effective 2023. However, it will likely be 2024 or later before we know how other countries will act.

Hiking taxes on American business owners will hurt our economic recovery and our global competitiveness. We should not move faster than the OECD process – and our effective date should not be sooner than 2024.

Energy providers employ almost 13 million and manufacturers employ more than 12 million. Both sectors have been able to increase wages with the current tax rates, but surveys show the tax increases included in the reconciliation bill would [hinder their ability to raise wages](#).

To protect our economic recovery, we respectfully urge you to vote against these provisions. Thank you for all that you do on behalf of Texas employers,



Glenn Hamer
President and CEO, Texas Association of Business

Texas Association of Business
Texas Public Policy Foundation
Texas Association of Staffing
Texas Society for Human Resource Management
Abilene Chamber of Commerce
Allen Fairview Chamber of Commerce
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