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Sen. Chuck Grassley, ranking member of the Committee on Finance, submitted the following statement into the record.

Floor Statement Responding to Senators Conrad and Dorgan  
Regarding Tax Shelters and Tax Havens  
Thursday, May 17, 2007

Mr. President, I was struck by the exchange between the Senators from North Dakota regarding abusive leasing transactions called SILOs and so-called corporate inversion transactions. They seemed to express dismay that this body can't shut down these deals. Listening to them, it seemed like they had no idea that:

(1) The American Jobs Creation Act of 2004 stopped the SILO deals on a prospective basis – no new deals can be done after March 12, 2004. As enacted, JCT scored this provision as raising \$7 billion over 5 years and \$27 billion over 10 years.

(2) The Senate-passed version of the JOBS bill, which received the vote of 92 Senators, would have shut off future tax benefits from foreign SILO deals, like the deals for European sewer systems and town halls, that were entered into before March 12, 2004, but the Republican House conferees blocked it.

(3) The American Jobs Creation Act also stopped corporate inversion transactions for deals done after March 4, 2003, raising \$830 million over 10 years, according to JCT.

(4) The Senate-passed JOBS bill would have applied the anti-inversion legislation back to March 20, 2002, when I put companies on notice that legislation would shut these deals down.

(5) Just this year, the Senate passed a minimum wage/small business bill, which had the vote of 94 Senators. One provision in that bill would shut off future tax benefits for foreign SILOs. That provision would raise about \$4 billion over 5 and 10 years. Another provision would have denied prospective tax benefits for inversions entered into after March 20, 2002. That provision would have raised over \$1 billion.

(6) But the Democratic Chairman of the Ways and Means committee refuses to agree with

the Senate on these points. In fact, he held a hearing earlier this year to sympathize with lobbyists wanting to preserve these illicit tax benefits.

So, in this body, there is near-unanimous agreement that Congress should act to stop the future tax benefits from foreign SILOs no matter when they were entered into. So I'm not sure what the Senators from North Dakota are complaining about. They should be complaining to their brethren across the Capitol, not this body.

The North Dakota Senators are preaching to the choir when it comes to shutting down tax shelters. Look at my track record. Nobody has been more of a tax shelter hawk than me when it comes to Senate-passed and -enacted legislation. I want to close the tax gap. I want to shut down tax shelters. My track record proves that. But we need to be realistic in looking at the amount of JCT-scored revenue we can expect to get with sensible, effective legislation. The assumptions in this budget are just not realistic.