International Tax Issue	Current Tax Law	Biden Proposal
Global Intangible Low-Taxed Income (GILTI) from Controlled Foreign Corporations (CFC)	GILTI income for a U.S. shareholder of a CFC is calculated net of deemed tangible income return – "Deemed tangible income return" equals 10% of aggregate CFC qualified business asset investment (QBAI) less specified interest expense	Eliminate the exclusion of deemed tangible income return from GILTI income
GILTI High-Tax Exclusion	CFC income that is subject to a high rate of foreign income tax can be excluded from GILTI income by election	No explicit proposal to eliminate or change GILTI high-tax exclusion
Applicable High-Tax Exclusion Rate	CFC income must be subject to foreign income tax at a rate that is higher than 18.9% (90% of the 21% U.S. corporate tax rate) to qualify for the Subpart F and GILTI high-tax exclusions	Increase U.S. federal corporate tax rate from 21% to 28% – CFC income would need to be subject to foreign income tax at a higher than 25.2% rate (90% of 28% U.S. corporate tax rate) to qualify for the Subpart F and GILTI high-tax exclusions
GILTI Deduction	Corporate deduction equal to 50% of the sum of a domestic corporation's GILTI income and associated foreign tax gross-up, subject to a taxable income limit – Effectively a 10.5% gross federal U.S. corporate tax rate on GILTI before foreign tax credit (50% taxable GILTI × 21% U.S. corporate tax rate)	Increase the gross federal effective U.S. tax rate on GILTI income from 10.5% to 21% – Presumably by reducing the GILTI deduction from 50% to 25% of GILTI income and associated foreign tax gross-up (75% taxable GILTI × 28% U.S. corporate tax rate)
U.S. Tax on GILTI	The incremental U.S. federal tax on GILTI is computed on an aggregate basis from all CFCs – Tested losses of CFCs offset tested income of other CFCs, and a single foreign tax credit limit applies to GILTI income from all CFCs	Apply GILTI tax separately for each country – Perhaps by preventing CFC tested losses from offsetting CFC tested income earned in a different country and/or by applying a separate per-country foreign tax credit limit on GILTI income
Minimum Corporate Tax	Base erosion anti-abuse tax (BEAT) acts as a minimum tax computed at a 10% rate on modified taxable income that excludes deductions for certain payments to foreign related parties; BEAT applies to U.S. corporate groups having more than $500 million average annual gross receipts and base erosion percentage of at least 3%	No proposed changes to BEAT; Impose a 15% minimum corporate tax on book income – Perhaps would include book income of consolidated and equity method foreign subsidiaries
Offshoring Deductions	No current denial of deductions for moving jobs or production overseas	Deny all deductions and expensing write-offs for moving jobs or production overseas where those jobs could plausibly be offered to American workers
Offshoring Tax Penalty	No current offshoring tax penalty	10% offshoring penalty surtax on offshore production income from sales and services provided to American customers – Effectively a 30.8% U.S. federal corporate tax rate on offshore income (28% U.S. corporate tax rate × 110%)
"Made in America" Tax Credit	No current direct incentive available for expanding job-creating production facilities and activities in the United States	10% advanceable tax credit for companies that revitalize closed or closing U.S. facilities, retool existing U.S. facilities to advance manufacturing competitiveness and employment, bring back production, call center, or service jobs from overseas to the U.S., expand or broaden job-creating U.S. production facilities, or expand U.S. manufacturing payroll
Foreign-Derived Intangible Income (FDII) Deduction	Corporate deduction equal to 37.5% of deemed intangible income derived from qualified export sales and services, subject to a taxable income limit – Effectively a 13.125% U.S. federal corporate tax rate on FDII (62.5% taxable FDII × 21% U.S. corporate tax rate)	No proposed changes to FDII deduction – Effectively a 17.5% U.S. federal corporate tax rate on FDII (62.5% taxable FDII × 28% U.S. corporate tax rate)
Interest-Charged Domestic International Sales Corporation (IC-DISC)	A U.S. corporation that has elected to be an IC-DISC is exempt from U.S. corporate tax if at least 95% of its gross receipts are qualified export receipts – "Qualified export receipts" include commission income earned from a related party generally not to exceed the greater of 4% of receipts or 50% of taxable income on the related supplier's sale of qualified export property; dividend income of a noncorporate taxpayer received from an IC-DISC is generally eligible for qualified dividend rates, generally at a 23.8% federal tax rate	No proposed changes to IC-DISC provisions; impose the same tax rate on investment income as on wages for those making more than $1 million and raise the top individual tax rate back to 39.6% – Presumably would eliminate favorable qualified dividend rates on IC-DISC dividend income for noncorporate taxpayers having taxable income (or perhaps adjusted gross income) of more than $1 million