



May 23, 2019

The Honorable James E. Risch  
Chairman  
Senate Committee on Foreign Relations  
423 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Robert Menendez  
Ranking Member  
Senate Committee on Foreign Relations  
423 Dirksen Senate Office Building  
Washington, DC 20510

RE: United States Senate Approval of Pending Income Tax Treaties and Protocols

Dear Chairman Risch and Ranking Member Menendez:

The American Institute of CPAs (AICPA) is writing to urge the Senate Committee on Foreign Relations and the United States Senate (“Senate”) to promptly approve the eight bilateral income tax treaties and protocols currently pending before them.

The full Senate has not approved any income tax treaty or protocol since 2010. The AICPA believes income tax treaties are vital to United States (U.S.) economic growth as well as U.S. trade and tax policy.<sup>1</sup> Tax treaties assist in harmonizing the tax systems of treaty nations and in providing certainty on key issues faced by businesses of all sizes that operate internationally. Tax treaties are also important tools used to promote a competitive environment to attract foreign investment into the U.S.

Tax treaties apply to both companies and individuals who are engaged in cross-border transactions. As cross-border trade and investment activities expand, tax treaties remain pivotal in preventing the imposition of excessive or inappropriate taxes on foreign trade and investment.

In order to serve their intended purpose, tax treaties require updating to stay current with developments in the global economy. The addition of new treaties also helps foster and expand the international trade network with which the U.S. does business, and leads directly to economic growth and job creation in the U.S. The continued delay of action by the full Senate to ratify these treaties and protocols impedes the ability of the Department of the Treasury to keep U.S. tax treaties in line with changes in policy and bilateral relationships. Outdated tax treaties increase the potential for double taxation as well as hinder the ability of the Internal Revenue Service and foreign tax authorities to cooperate in the fair and efficient enforcement of tax laws.

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The AICPA is the world’s largest member association representing the accounting profession, with more than 429,000 members in the United States and worldwide, and a history of serving the public interest since 1887. Our members advise clients on federal, state and international tax matters and

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<sup>1</sup> See our previous correspondence dated [March 1, 2017](#).

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prepare income and other tax returns for millions of Americans. Our members provide services to individuals, not-for-profit organizations, small and medium-sized businesses, as well as America's largest businesses.

We appreciate your consideration of these comments and welcome the opportunity to discuss these issues further. Please contact David Sites, Chair, AICPA International Taxation Technical Resource Panel, at (202) 861-4104 or [David.Sites@us.gt.com](mailto:David.Sites@us.gt.com); Jonathan Horn, Senior Manager – AICPA Tax Policy & Advocacy, at (202) 434-9204 or [Jonathan.Horn@aicpa-cima.com](mailto:Jonathan.Horn@aicpa-cima.com); or me at (612) 397-3074 or [chris.hesse@CLAconnect.com](mailto:chris.hesse@CLAconnect.com).

Respectfully submitted,

A handwritten signature in blue ink that reads "Christopher W. Hesse". The signature is fluid and cursive, with a stylized "H" and "E" at the end.

Christopher W. Hesse, CPA  
Chair, AICPA Tax Executive Committee

cc: The Honorable Mitch McConnell, Senate Majority Leader  
The Honorable Charles Schumer, Senate Minority Leader