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Disclosure of Tax Havens and Offshoring Act

The problem: Tax haven abuse and tax incentives for offshoring.

Corporations use a variety of accounting maneuvers to shift profits into tax haven countries and avoid paying taxes here in the United States, preventing them from contributing to Americans' prosperity. Large American companies currently use tax havens to avoid tens of billions of dollars in taxes they would otherwise pay: new research shows that in 2025, large corporations reduced their tax liability by more than $11 billion through the use of tax havens.[1]

The 2017 Trump tax law (TCJA) created a new global tax framework that included incentives for large U.S. companies to shift profits and jobs overseas, and Trump's 2025 One Big Beautiful Bill Act largely left these incentives in place. As such, profit-shifting is still rewarded because firms can pool income and foreign taxes across affiliates in high- and low-tax countries, and because foreign income remains subject to a much lower U.S. tax rate than domestic income.

The solution: Americans deserve greater transparency into these practices.

The Disclosure of Tax Havens and Offshoring Act directs the U.S. Securities and Exchange Commission (SEC) to mandate public disclosure of country-by-country financial reports by large corporations. These reports would include basic information from corporations on each of their subsidiaries, and country-by-country financial information that lists all of their subsidiaries in each country – including profits, taxes, employees, and tangible assets.

This legislation would codify and advance global trends supporting greater corporate tax transparency. Corporations with annual revenues above $850 million already report this information to the IRS under an international OECD framework, but these reports are not public. The European Union and Australia have each moved to require more public reporting of corporate international tax and financial information. And in the United States, the Financial Accounting Standards Board recently updated its income tax disclosure standard to include more information on foreign jurisdictions that substantially reduce a given company's tax rate.

Country-by-country financial reports contain vital information for investors to better understand the potential tax risks facing the corporations in which they invest, especially in light of recent and potential future changes to international corporate tax law. When corporations send profits and jobs overseas, their country-by-country financial reports would also help lawmakers understand how best to respond. Americans deserve to know how corporations are paying their taxes, and this legislation would provide them that transparency.

Endorsers: FACT Coalition; Institute on Taxation and Economic Policy; Public Citizen; and American Federation of State, County and Municipal Employees (AFSCME)

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[1] "Big U.S. Corporations Reaped Billions through Tax Havens in 2025, New Transparency Requirements Reveal." *The FACT Coalition*, 9 Mar. 2026, thefactcoalition.org/major-american-corporations-saved-billions-through-tax-havens/.