

UNITED STATES SENATOR • IOWA
CHUCK GRASSLEY
RANKING MEMBER • SENATE COMMITTEE ON FINANCE

<http://grassley.senate.gov>
press_office@grassley.senate.gov

Contact: Jill Kozeny, 202/224-1308
Jill Gerber, 202/224-6522

MEMORANDUM

To: Reporters and Editors
Fr: Jill Gerber, 202/224-6522
Re: Stanley Works vote
Da: Thursday, May 9, 2002

Today shareholders of tool maker Stanley Works approved relocating the company's legal residence to Bermuda, a move that will allow it to avoid some of its U.S. tax obligation. Sen. Chuck Grassley, ranking member of the Committee on Finance, is the co-sponsor with committee chairman Sen. Max Baucus of legislation to rein in so-called corporate expatriation. The senators introduced the *Reversing the Expatriation of Profits Offshore (REPO) Act (S. 2119)* on April 11. The bill is pending in the Finance Committee. Grassley made the following comment on today's Stanley Works vote.

“A tax partner at Ernst and Young predicted that patriotism would take a back seat to profits after the emotion surrounding the events of September 11 began to fade. It looks like she was right. Here's a company pulling up stakes when the clean-up at Ground Zero is barely done. That's too bad.

“In March, Senator Baucus and I warned Stanley Tools and other companies considering this move to reconsider. We promised to fight corporate expatriation, and we introduced legislation to stop it. Now Stanley Works is setting up a showdown with Congress.”

“Company officials might say that our international tax rules are flawed, and they're right. Congress needs to fix those rules so companies can compete better in the global marketplace. But the solution isn't to pull up stakes and set up a filing cabinet someplace that doesn't charge taxes. The solution is to stay here and pay your share and work with Congress to fix what's unfair about the tax system.”

