TO BRING FOREIGN JOBS HOME OR LEAVE IT ABROAD? THAT IS THE QUESTION

A renewed push by many in Congress says that the nation should bring foreign jobs back to home soil. Others, on the other side, believe that doing so would cost too much to be worth it. The debate has been a hot topic on Capitol Hill, as the nation continues to stress about the hovering high unemployment rate. Like most other solutions, Congress seems to be stalled by two opposing opinions. The debate is not a Republican and Democrat debate. In fact, it is a debate that has the parties split. Supporters include those from the left and right. They believe that bringing jobs home from foreign soil will boost revenue and create new jobs. Those on the other side of the debate–from both the right and the left–believe the exact opposite; saying that it will decrease government revenue and hurt jobs even more. For example of the split within the houses for this debate, consider the happenings of this past week. A small group of conservative Democrats in the house sent an letter expressing their endorsement of the ideas to the congressional debt committee. Shortly thereafter, two Senate Democrats, Kent Conrad and Carl Levin, sent a letter expressing their disapproval and urging its dismissal of its consideration in the panel. House and Senate bipartisan bills will coax United States based businesses to bring foreign outsourced jobs back to the States. The government would offer these businesses a lower tax rates on earnings, which right now is approximately 35% on income generated on United States soil. Earnings businesses make oversees do not submit to United States taxes until it comes back to United States soils through dividends distributed from the foreign subsidiary of the company to its parent corporation. Those who support bringing the jobs back home say that companies hold more than $1 trillion in low-tax countries abroad. They argue that money has a much more profitable use if brought back to the States. Proponents suggest a repatriation holiday, brought forth by the Joint Committee on Taxation. They estimate this would boost revenue by approximately $20 billion during the course of the next three year. Those against this proposal feel that the money is not trapped at all.Edward Kleinbard, a corporate tax expert, says, "A large portion of these earnings is kept in liquid investments, and those in turn invariable are in US dollar liabilities of US borrowers, like US bank deposits, commercial paper, and Treasuries. All those investments already are fully at work somewhere in the US economy." Senator Levin chairs the permanent subcommittee on investigations within the Senate. This week, the subcommittee released a report fighting the Joint Committee on Taxation's estimate. The report explains the results of the tax holiday giving in 2004. It resulted in the loss of 21,000 jobs among the 15 largest repatriating corporations, and showed no evidence of the holiday increasing revenue and job opportunities in the United States.