

UNITARY TAXATION \*JOINT NOTE ON UNITARY TAXATION SUBMITTED TO THE U.S. STATE  
DEPARTMENT ON 27 JANUARY 1984

The Embassies of the Member States of the European Community, the European Commission and the Embassies of Australia, Canada, Japan and Switzerland present their compliments to the Department of State. A copy of this Note is also being delivered to the Department of the Treasury for the attention of the Working Group on Worldwide Unitary Taxation.

Our countries constitute the United States' main trading partners, accounting for more than half of the US trade. We also account for approximately \$76 billion of direct investment in the United States (84% of the total) and US direct investment in our countries amounts to \$154 billion (69% of total US direct investment abroad). Our governments are all deeply concerned about the use of the world wide unitary basis of taxation in some individual States of the United States of America and have submitted our views to the Working Group set up by the President and chaired by the Secretary of the Treasury, Donald T. Regan.

At this time, when the Task Force is nearing the completion of its work, we reiterate our concern that the Working Group itself and the US Administration in formulating proposals for action on its recommendations should give full weight to the combined views of the United States' main trading partners so that an internationally agreed solution to this growing problem may be implemented quickly thereafter. The achievement of this objective would represent the removal of a serious obstacle to the further development of our trade and investment relationships.

The below-mentioned diplomatic representatives take this opportunity to renew to the Department of State the assurances of their highest consideration.

SIGNED:... Ambassadors of all the Members States of the EC  
Ambassadors of Australia, Canada, Japan and  
Switzerland, Head of the Delegation of the  
European Commission.

(the signature of the Australian Ambassador, Sir Robert Cotton, K.C.M.G., is attached hereto).

\* [This note and the submission to the US Task Force on Unitary Taxation are representative of wide protest from other OECD countries to the imposition of unitary taxation. See also the comment in this issue, and casenotes at [1984] Australian I.L. News 76, and [1983] *ibid.* 10].