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JCT analysis of possible effects of Pillar Two global minimum tax adoption

The staff of the Joint Committee on Taxation (JCT) yesterday released a [document](#) [PDF 352 KB] analyzing the possible effects of adopting the components of the OECD's Pillar Two global minimum tax, both worldwide and in the United States.

Specifically, the JCT document estimates the effects on federal income tax receipts over the next five and ten years, under the following four scenarios:

Scenario	2023-2028	2023-2033
Rest of the world enacts Pillar Two in 2025, United States does not enact	-\$39.2 billion	-\$122 billion
Rest of the world enacts Pillar Two in 2025, United States also enacts Pillar Two in 2025	-\$6.8 billion	-\$56.5 billion
Rest of the world does not enact Pillar Two, United States enacts Pillar Two in 2025, but no U.S. undertaxed profits rule (UTPR)	\$36 billion	\$102.6 billion
Rest of the world does not enact Pillar Two, United States enacts Pillar Two in 2025	\$98.2 billion	\$236.5 billion

According to a [statement](#) released by Senate Finance Committee Ranking Member Mike Crapo (R-ID), as well as a [statement](#) released by House Ways and Means Committee Chairman Jason Smith (R-MO), the analysis was requested by Senator Crapo and Representative Smith.

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