

The Taxcast: July 2025 transcript

Naomi Fowler: Hello and welcome to the Taxcast from the Tax Justice Network. I'm Naomi Fowler. Coming up later on the Taxcast:

Alex Cobham: The US administration wants US multinationals to be more able to continue to commit corporate tax abuse than everybody else.

Naomi Fowler: The United States has pulled out of the global minimum corporate tax agreement of 15%. We look at what all the bully tactics mean now for multilateralism and what choices nations have to defend their right to tax. And...

William Rice: It's a very depressing time for anyone who cares about what the United States is supposed to stand for, even though it's not always lived up to its ideals, at least, at least it used to have some. These are just very dark times. Those of us who really do love this country wanna try to take it back from the terrible place that it's gone.

Naomi Fowler: We've seen on our screens horrifying scenes of President Trump's persecution of immigrants in the United States. Persecution by Immigration and Customs Enforcement agents, or ICE. They're often unidentified masked men, sometimes without warrants. People in many countries have already experienced how dangerous that is for the rule of law and for democracy. And the economic consequences are severe. Deporting millions of undocumented workers could shrink the economy by 1.1 to \$1.7 trillion. That's more devastating than the effects of the 2008 financial crisis. Undocumented workers are also paying higher tax rates than some of the wealthiest Americans and mega corporations. Here's Donald Trump defending his persecution of immigrants on ABC news. He's being interviewed here by David Muir:

David Muir: Do you acknowledge that under our law, every single person who gets deported gets a hearing first to make their case?

President Trump: Well, are we talking about people that are citizens of our country or not? Did we give them a hearing when they came in?

David Muir: Well, the law requires that every single person who is going to be deported gets a hearing first.

President Trump: Well...

David Muir: Do you acknowledge that?

President Trump: I'll have to ask the lawyers about that. Listen, I was elected to take care of a problem. That was, it was a, a unforced error that was made by a very incompetent man, a man who was grossly incompetent allowed us to have open borders where millions of people float in. I campaigned on that issue, I campaigned in that issue. I've done an amazing job. I have closed borders. He said, you couldn't do it. You wouldn't be able to do it. It would never happen. Well, it happened and it happened very quickly. Wait a minute! When we have criminals, murderers, criminals in this country, we have to get 'em out and we're doin' it.

Naomi Fowler: But polling is showing that as the realities start to become clear, as Trump pours \$170 billion into ICE - Immigration and Customs Enforcement, support is dwindling for these attacks on anyone that's suspected of being an immigrant living in the United States , without full residence documents. Here's Manu Raju on CNN:

Manu Raju: A brand new CNN polling out for the first time right now offers a new warning sign for Trump on his bedrock issue, immigration. Just 42% of Americans now approve how he's handling immigration with only 40% approving of his policies on deportations specifically. And when it comes to deportations, 55%, think Trump has gone too far. And that's up sharply by 10 points since February. So just to dig a little deeper into these immigration numbers that are now just coming out, the view, if you break down by issue, by issue on immigration is how, how the American public feels, how do they feel about increasing the ICE budget by billions of dollars? Just 31% support that. Really, that's the number, that's the high point. When we look at ending birthright citizenship, building new detention centers, detaining undocumented immigrants with no criminal record, under 30% in all those categories. Then what about his immigration policies at large? Are they making the United States safer? 53% of the country says no. No, they're not. And then the last point here is the federal government carefully following the law on deportations? The answer overwhelmingly is no, 58% say no, and that is about a little bit higher than it was in April...(FADE OUT)

Naomi Fowler: Not only is anyone suspected of being an illegal immigrant living in fear of being picked up by ICE agents, tax itself is becoming a weapon to use against them too. Imagine being too afraid to file your taxes.

Lauren Loricchio: I'm Lauren Loricchio and I'm investigations editor of Tax Notes.

I spoke with several people. One person I spoke with who's originally from Brazil goes by the nickname Rob and he said he normally files his taxes each year with an individual taxpayer identification number and he didn't file this year because he was afraid that he would be deported.

I also spoke with a factory worker who fled Colombia to escape threats from a crime group there. This man was actually an architect in Colombia, but worked in a factory when he came to the United States and he said that he did pay his taxes this year despite the potential consequences, and he fears for his life if he returned to Colombia but he wanted to follow the law.

And then another woman that I spoke with, she was originally from Guatemala and she is self-employed in the United States. She does like an interpretation service, and she said that she filed for an extension, she has an 8-year-old daughter who is a US citizen, and she's afraid that she could be separated from her daughter. So a lot of these stories were different, but one thing that they all had in common was that, you know, everyone is just afraid to file their taxes and they're afraid what the consequences will be if they do.

Naomi Fowler: In the United States there are an estimated 10.9 million undocumented migrants, they're unofficially the powerhouse of the United States economy, an exploitable workforce with access to minimal rights. There *was* something called taxpayer confidentiality. Lauren Loricchio again:

Lauren Loricchio: Tax return information in the United States is protected from disclosure under Internal Revenue Code Section 6103, and that section makes it so that IRS employees, they're not supposed to release information, and if they do, they could be subject to penalties. Historically, the IRS has encouraged immigrants, to file their taxes and immigrants are supposed to comply, you know, with the tax law, just like everybody else and they've said, you know, they won't share their information with other federal agencies like the Department of Homeland Security and, you know, there's a reason for that. It's 'cause they want everyone to comply with their taxes, tax filing obligations and they want immigrants to trust that they can comply with their tax filing obligations without having to be concerned about their information being used, to deport them.

But during the recent campaign for president, President Trump promised the largest deportation in US history. And so the focus seems to be more on that now and less on taxpayer confidentiality.

Naomi Fowler: Along with a whole load of other personal data being opened up on everyone living in the United States, taxpayer confidentiality has now gone. That's because taxpayer information is now being shared with ICE. Here's William Rice of Americans for Tax Fairness:

William Rice: Sharing that information is shooting ourselves in the foot because these are people who are working very hard, they're not making a lot of money, yet they're still paying taxes. And this proposal would make people go even deeper underground and we would collect less money. It's just a bad idea all around. And I mean, it goes way beyond the issue of immigration. A lot of us are very concerned about the autocratic tendencies of this second Trump administration allowing information to travel even more freely between different parts of the government is a recipe for disaster because it just allows more information to be collected in one spot for a surveillance state to become more powerful. So, I think those firewalls that have traditionally been in place served a very good function and those are now being taken out. So I think it's bad as immigration policy, it's bad as national policy.

Naomi Fowler: The mission of the IRS is to collect tax revenue comprehensively, efficiently and effectively. Obviously, all of this throws a spanner in the works. And the consequences are far reaching. Here's Lauren Loricchio again:

Lauren Loricchio: Danny Wurfel, who stepped down as IRS commissioner before President Trump took office, he said if the IRS begins sharing tax data without first seeking explicit statutory authority from Congress, it could have a broader impact. One concern that we've heard is just how this might hurt IRS employees and we've heard some concerns from some of the people that were working at the IRS that they could be subject to penalties and repercussions if they're doing something that is not legal.

Naomi Fowler: A society that's focused on persecuting and purging specific groups of people is already not a healthy one, but among the most obvious consequences of this are of course the hit to tax revenues.

Lauren Loricchio: I think there's a real possibility that this could lead to lower, revenue collection in the United States, as well as, you know, state and local governments. And because the US tax system is based on voluntary compliance, it doesn't take a large amount of non-compliance to have a substantial impact on tax receipts. So if this expansion of IRS Authority affects voluntary compliance, even by 1%, it could lead to billions of dollars in lost revenue. It will affect revenue that's used for, for spending programs in the United States.

Naomi Fowler: There are legal challenges to this:

Lauren local: Back in March, two immigrant rights advocacy groups filed litigation to challenge the disclosure of, this information and they asked for an injunction to stop the information sharing. And that complaint argues that section 6103 of the Internal Revenue Code forbids the IRS and Treasury from sharing tax returns or tax return information for purposes of immigration enforcement. And the judge in that case sided with the federal government, they said that the plaintiff's reading of Section 6103 doesn't comport with the text of the statute. And they denied the request for an injunction to block Treasury from disclosing taxpayer information. So the case, it's not over yet. There was a notice of appeal that was filed in May, with the DC circuit, and since that appeal was filed, 93 Democratic lawmakers filed an amicus brief in support of the applicants in that case. They argue that the MOU is incompatible with the legislative intent behind that section of the Internal Revenue Code. And they're urging the DC circuit to reverse the lower court's decision, and so, so far I heard from one of the lawyers in the case, they said the government brief is due later this month, and that no argument date has been set, but they're not expecting that it will be before September. We're watching the case closely.

Naomi Fowler: And so are we. Unfortunately, that's not the only way that taxes are being weaponized against non-US citizens living in the United States. In Donald Trump's so-called 'big beautiful bill,' there's a new tax of 3.5% on international money transfers, remittances, sent by all non-citizens in the US. It specifically targets them. If you are a US citizen, no tax will apply. That comes into force on January the 1st, 2026. It'll be collected by remittance service providers, banks, and money transfer apps. Remittances are obviously a lifeline to families back home and they far outstrip international aid. Even more so now that aid has been so savagely cut back. So, the impact of this is significant. William Rice again of Americans for Tax Fairness:

William Rice: It seems clear to me, to any observer that that's just a regressive measure that's meant to punish immigrants who are trying to support their family members in their home countries. I mean any, any tax on what is a very normal human impulse, which is to support your family is the reason that everyone comes here. It's not to upset anyone, it is just to work hard, make money, and try to support their families, whether the families they brought with them or the families that remain at home. So it's a part of this emotional, misguided reaction to a reality of the modern world.

Naomi Fowler: It's likely to mean unofficial transfer channels will be used more and more, as well as use of crypto, which bears its own risks and its own

instability. And just to be clear, in case you didn't know, it can be extremely difficult to get US citizenship. Unless you're one of those people who can pay \$5 million for a gold card, *then* the doors are open to you, we've talked about that in the previous Taxcast. This is Congresswoman Delia Catalina Ramírez, speaking recently from Washington:

Delia Catalina Ramírez: Mi nombre es Delia Catalina Ramírez, y tengo responsabilidad de defender a la gente del tercer distrito congresional en Illinois. También soy la hija de Luis y María Elvira Ramírez... [FADE]

Voiceover in English: My name is Delia Catalina Ramírez, and I have the responsibility of defending the people of the third Congressional district in Illinois. I'm also the daughter of Luis and Maria Elvira Ramírez, the daughter of Guatemalan immigrants and the wife of Boris. Until only a little while ago he was a DACA, [Deferred Action for Childhood Arrivals] and recently he's been able to travel for the first time as a permanent resident of this country. But although my parents are citizens and my husband now has his residency, I'm still the niece of an uncle who's lived in this country for almost 40 years and hasn't been able to regularize his status, but he has put four children - who are no longer children, four *men* through college, and continues to pay taxes and contribute to our community every day, still living with the dream that maybe, one day he won't have to be undocumented in this country.

I'm telling you this because it's very important that you know who I am and how I view the job I have here as a congresswoman. Because I have a responsibility, not only to the constituents of my district, but also to my uncle and so many people who are still living, being criminalized when all they've done in this country is contribute. And in many instances, giving more in taxes to this country than the same companies we see, including Tesla, which hasn't even paid taxes. So I'm very clear about the contributions of immigrants, the strength of our diverse community. And the importance of tax reform focused on workers. Because we're all watching the news. Everyone knows what's happening here in Washington. And time and time again, we've seen how Musk and then Trump, with the help of the Republicans in Congress, have extorted the American people to obtain tax benefits for their billionaire bosses.

Naomi Fowler: That's Congresswoman Delia Catalina Ramírez, speaking at the release of a study by Americans for Tax Fairness and the Institute on Taxation and Economic Policy. The study shows just how unwise the Trump administration is to target immigrants. I spoke with William Rice of Americans for Tax Fairness about the study.

So there are kind of three main parts to the analysis, aren't there? So perhaps we can start with, I suppose the top headline, that undocumented immigrants pay a higher effective tax rate than 55 large corporations and several of the nation's wealthiest individuals, but before we talk about that there's, there's a lot of number crunching in this report, isn't there? And there's comparisons between the very wealthy and corporate tax rates and the average undocumented migrants tax rate, which is 10.1%, which seems quite low, but obviously that's because they are off the books, the money's going under the table, as we say and so they're being paid very little. So that's why that rate is quite low, right?

William Rice: Yeah, and tax rates in America are generally fairly low, so, but yes, your description is accurate as to why they aren't paying more.

Naomi Fowler: Yeah. And so if they're paying a tax rate on average, which is 10.1%, that doesn't say much for the 55 large corporations' tax rate that you looked at and some of the nation's wealthiest individuals in the United States?

William Rice: No, it doesn't. It's, it's quite, quite shocking really. And in fact, the, the number's even worse than you're saying. 10.1% is *all* taxes, federal, state, and local. What they paid in just federal income taxes was 5.27%, and that's *still* more - and that was in 2022 - that's still more than some of the biggest corporations in our country and some of the richest people in our country. And you're correct, that's really an indictment of how little those very wealthy entities and people are paying.

So those 55 corporations, they include Bank of America, ExxonMobil, A T&T. Um, they paid less than 5.27% despite collective profits of over \$667 billion that year. And the reason that's possible is that the United States Tax Code has a lot of loopholes that large, profitable corporations can use to pay little or nothing in taxes, in many years. So it is telling that in this country, so many politicians blaming undocumented immigrants for our woes and claiming that they're cheating the system, they're actually paying, they're actually carrying more of the load, percentage wise than these huge corporations. And as you mentioned, many billionaires. Personal tax information, of course, is not public, but an organization in this country called ProPublica was able to obtain income tax information for the 400 highest income taxpayers. That's a group that our taxing authority looks at as a particular segment between 2013 and 2018 found that five of those top 400 income taxpayers paid less than 5.27%, over that span Uh, and these are all people worth at least a hundred billion dollars. And they included Michael Bloomberg of the big financial information, corporation and the former mayor of New York City. It's another indicator that there's something very wrong with our tax system, that people with that much wealth could be

paying a lower tax rate than undocumented immigrants who are generally working in low paying jobs.

Naomi Fowler: Yeah, it's, it's very shocking. Very shocking. And I should say as well that there's 10.9 million undocumented migrants estimated, which is a lot of, um, people. And the estimate is that, you know, if those people were regularized that could bring in an estimated additional tax revenue of 40 to \$137 billion a year. It, it just seems like common sense to do that?

William Rice: Uh, well, you would think, yeah, I mean the, the, the, the reasons that the tax revenue would go up by so much are several. One is that the workers who now are not filing taxes, or being paid under the table, I should rather say, and, and therefore there's no withholding going on, that money would then become available and these workers be paid more money because they would have more leverage. Right now they're very vulnerable and are easily exploited. And so the, the amount of money they're making is less than if, as you say, their position was regularized.

Naomi Fowler: Yeah. And the second sort of major, point of the analysis as well is that undocumented migrants are using far fewer federal resources than major corporations, which we know are getting billions in subsidies. You look at examples in the report of low paid workers being paid really *so* badly by these mega corporations like Walmart and others, being subsidized by the state because their wages are so low, in order that those workers can actually eat and get healthcare?

William Rice: That's right, yeah, several big corporations like you, like you indicate, Walmart included, pay their workers so little that they qualify for public healthcare, which is called Medicaid, and also for what's called Supplemental Nutrition Assistance Program or SNAP. And that means that the American taxpayers are subsidizing these huge corporations with billions of dollars in profits, we're subsidizing their workforce. And meanwhile, the undocumented immigrants are paying in with every paycheck into the major social welfare programs in this country, social security and Medicare, as well as interstate unemployment systems, and they're not eligible for any of those programs. So they're supporting programs that they can't participate in. Meanwhile, the large corporations are feeding off of those programs because they're not paying their workers enough.

Naomi Fowler: And I mean, when it comes to subsidies we have to give a special mention to Elon Musk who has received at least \$13 billion worth of federal subsidies through the companies that he owns. And I mean, that is Mr.

Big mouth talking about the drain that migrants supposedly are on, on the US economy and on society in the United States.

William Rice: That's right. You know, he has contracts with the government that are worth that much. And SpaceX, one of his companies, has been very dependent on our space program, our public space program, for its success. And yeah, the idea that he's complaining about people feeding off the federal government when that's basically what's made a lot of his companies successful, is the United States government, United States taxpayers as among its biggest customers.

Naomi Fowler: Yeah. Yeah, exactly. And then the third sort of part of this report is uh how irreplaceable at the moment, if you look at it, undocumented workers' contributions are to the economy in the United States, their significant contributions to really key economic sectors. So you're looking at agriculture, construction, healthcare, undocumented migrants make up around 5% of the total workforce and they have roles in key industries so one in seven of migrant workers are construction workers, one in eight agriculture workers, one in fourteen hospital workers, I mean, imagine the shock to the US economy and the wellbeing of people as well if you lose those workers.

William Rice: Absolutely. It's not thought out at all. It's an emotional reaction, drummed up by some of our less admirable political leaders. And I think that will become clear as this process goes on. Even now, there's stories in the press about parts of the country that are big Trump supporters being shocked at having a longtime neighbor suddenly pulled off in the middle of the night because it turns out that they were, they're undocumented. There's, there's a counter-emotional reaction going on now among people that, oh, I didn't realize you meant *these* people. But just economically, yes, in all these areas, agriculture, hospitality, construction, there's gonna be a great disruption.

Naomi Fowler: So why is your country shooting itself in the foot like this? I mean, don't get me wrong, we are very good at doing it too, but you know, it's not just shooting itself in one foot, it's shooting itself in both feet. Um, yes I mean, migrants themselves are being, used as a tool to press people's buttons but, you know, tax itself is the weapon that's being used against migrants. What's the, what's that about?

William Rice: Well, just more generally, the tax code favors billionaires and huge corporations over ordinary working people and small businesses. And that is a policy decision. That's a political decision. There are a lot of examples of that. One of the most telling is that the top income tax rate on the most prevalent

forms of investment income are taxed a little more than half the top tax rate on employment income. So if you are an emergency room nurse, or you're a doctor saving lives in the operating room you'll pay almost twice as high a tax rate on the upper part of your income as someone whose whole job consists of collecting dividends and watching their stock portfolio go up. So that's a choice, and I don't think it's a good one. And, whenever people hear about that, they're always shocked but lot of these things succeed because they're hidden. People aren't aware of them. They're aware generally that the economy is rigged against them, but they don't know the details. And that's one of the jobs of the organization I work with.

Naomi Fowler: Yeah. Yeah. And the implications really for the economy, for US society are really, really severe. And what the report says is that if these millions of undocumented workers were to be deported and the Trump administration is really ramping up these deportations, the estimates are that that would actually shrink the economy by \$1.1 to \$1.7 trillion, which is more devastating than what happened during the 2008 financial crisis, it's really, really serious!

William Rice: It is, and I think as this deportation process ramps up, I think there's gonna be a very strong reaction to it, both on an emotional level, as you see families who are well established in communities being ripped away, also the economic impact will become clearer as there are fewer workers to pick all these crops, there are fewer workers to build houses and buildings. The proponents of this have not thought it out, I, I think it's fairly clear and there's gonna be very serious economic impacts.

You know, I'm, I'm lucky to have been born here and it is just pure luck and chance, so I'm not a target yet, but I just saw something in the, the, the media about how a lot of undocumented immigrants are literally just hunkering down at home and not going out, even for medical care. And it's gonna get worse and worse. And the fact that the immigration officials are masked is very menacing and unnecessary and just adds to the fear factor. So it's a very depressing time for anyone who cares about what the United States is supposed to stand for, even though it's not always lived up to its ideals, at least it used to have some. These are just very dark times. Those of us who really do love this country, wanna try to take it back from the terrible place that it's gone.

Naomi Fowler: Migration brings so many benefits to host countries. They of course, go far beyond economic ones. The Trump administration's use of tax as a weapon against people who power the US economy, fill construction sites, keep hospitals and farms running, is *also* being deployed against countries who

have the audacity to want to tax US multinationals fairly on the business they do in their countries. Next, I'm gonna speak to Alex Cobham of the Tax Justice Network about how the United States is bullying countries over global tax rules and how their best options really are to stand together. Stay with us.

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Alright, Alex, so, can you explain what has happened with the global minimum corporate tax rate? So this is the OECD's so-called pillar two, much lower than we thought it should be at 15%, but it was introduced at the beginning of Biden's administration. It did at least demonstrate that the United States was willing to be part of multilateralism, uh, multilateral *anything*. The US has now pulled out of the deal, so what's, what's going on?

Alex Cobham: So look, this is a sad story. The Biden administration had joined the negotiations kind of halfway through and really put some emphasis behind the idea of a global minimum tax, which ended up being much weaker than everyone hoped, so a minimum of 15% only, which is really very low. And in addition, a set of complicated rules that give most of the revenues not to the country that's seeing profit shifting, but to the country that is the headquarters of the multinational. So really quite unfair. But still some optimism that at least this was putting some kind of minimum in place, some kind of limit on the most egregious tax abuse of multinationals, maybe something to build on for the future.

But now the Trump administration is, is back and they have tried to put a line through this entirely and to their great shame, the other G7 countries seem to have accepted that. And basically what they're gonna do, it seems like, is they'll leave in place, for example, in the European Union, the minimum tax as it is but they will give a special pass to US multinationals so that even though they're not paying the minimum, they're not gonna have their taxes topped up by anybody else. And what that means is this isn't just a weak and unfair attempt at a global minimum tax, it's now gonna be unfair not just between *countries*, but between *companies*. So US multinationals will end up paying less tax than anybody else's multinationals, even if they're operating in the same places. And clearly this is kind of bad for everyone, but also bad for market dynamics.

You know, the German multinationals are up in arms. They actually got the chancellor to say that Europe should withdraw from the minimum tax entirely. And then his own finance minister said, oh, no, actually I think you'll find it's in the coalition agreement, so we *can't* withdraw. Ultimately all of this really just confirms the fundamental flaw of where this came from, which is the OECD,

because the US has an effective veto at the OECD, because the OECD has no mechanisms for transparency, for open decision making, no way of including the votes of non-OECD members, even if it wanted to. We are locked in as long as we stay at the OECD to this completely unfair process. And so the only answer is, as we've said for a long time now, to move into a globally inclusive forum at the United Nations where every country can have a vote, but also where every government is transparent to their own voters, so everyone can see if people are caving in, or if they are pushing actually for a fairer tax system.

Naomi Fowler: Uh, and on the German chancellor's remarks that the EU should not implement the global minimum corporate tax, his argument was that it's not viable. Is it viable?

Alex Cobham: So I think, you know, he was arguing about viability, but I think what he was really doing was channeling German multinationals saying, and, and this is not entirely unreasonable, you know, that it's not fair for them to be subject to the minimum tax if they're competing with US multinationals that *won't* be subject to it because however weak the minimum tax is as it stands, it is better than zero and US multinationals will be holding onto the zero instead. So, you know, you can see why that creates a political push for this.

In terms of viability, you know, there's no interest, we understand, from the European Commission in renegotiating what's in place among European Union members, and there's actually no need, you know, they can probably find some fudge not to immediately pick a fight with the United States, but, but keep this broadly in application.

The question really is whether there is the political will to stand up to Trump and say, no, we, we insist on fairness for US multinationals as well as others, and I think if they do that, this will become another part of the tariff wars that Trump is pursuing. And the only real option as a response is to look for strength in numbers and that means the European Union starting to play a much more constructive role in the negotiation of the UN convention because that's where every country except the United States, which has already withdrawn, every other country can come together and agree an ambitious set of rules that will apply to all multinationals, if they want to. And there's just a limit to how many countries even Trump can put damaging tariffs on if everybody else stands together.

Naomi Fowler: Yeah. Strength in numbers, definitely. So we talked about pillar two, which is the better known of the OECD's pillars. What about pillar one, which also looks dead in the water? That's supposed to address the challenges of

digital economies, making sure companies pay taxes where they make their sales, even if they're not physically there. Netflix is a good example to keep in mind, I guess. That's not looking good either?

Alex Cobham: It's not, but that hasn't been looking good for years now. It was because some countries had begun to introduce digital sales taxes that the momentum to start this negotiation got going because those big US tech companies didn't want to be paying these relatively small additional sales taxes in different countries around the world, they wanted a single agreement under which they could be taxed on the same basis everywhere. And so pillar one was designed originally to provide a basis for taxing some of the profits of multinationals that were providing particularly services across borders. It actually ended up going beyond digital, but it got watered down dramatically so that it would've ended up affecting fewer than one hundred of the largest multinationals, and actually not most of the big US tech companies at all, because of how the lines were drawn. Even so, it was agreed and it would've done something, but when Biden was going to bring it back to Congress to get it ratified he found that he just didn't have the support and that's a position that's now even worse. So there is no way this is getting through the US, no way the US will sign up to this.

The OECD, because it's so craven and because the US has this effective veto, once the OECD Secretariat saw that coming, they actually changed the draft of the convention, the multilateral convention that the US would've been signing up to so that if the US doesn't sign, doesn't ratify, then no other country can put this in place. The effect of that is that this has, has never in fact been alive, it was finished before it began. So all of this energy has been wasted in this opaque, badly governed process at the OECD, the net effect of which is pretty much zero. And that's why you're seeing countries now come back to reintroducing digital sales taxes. You're seeing Trump again threaten them with countermeasures if they do. We need to see some resolution of this. The fundamental line running through all of these issues is this - the US administration wants US multinationals to be taxed less than everybody else wants them to be taxed and wants them to be more able to continue to commit corporate tax abuse than everybody else does.

Naomi Fowler: Yeah. So yeah, so this is the US bullying countries into submission in the interests of their multinationals. And what about the G77? That's the coalition of so-called developing countries. Multinational tax abuse in their countries has devastating effects. They're not taking this lying down, are they? How are they defending their tax rights?

Alex Cobham: The G77 in leading the process, particularly with the Africa group around the UN Tax Convention have said very clearly that they want to fix this, and it really comes down to the other OECD countries other than the US to decide if they want to do that too. If they join in, if the OECD countries and the G77 come together, the scope for an enormously powerful convention that really fixes these international tax rules for the foreseeable future, despite the fact that the US doesn't want to join in, this would still apply to US multinationals and everyone will stop these enormous revenue losses that they suffer each year. But if the other OECD countries and the European Union, the United Kingdom in particular, don't have the balls to stand up to Trump, what they're saying is we're just gonna keep giving away these revenues, at least until there's a US election, and probably long after, and that means the rest of us will continue to lose public services. So there's a very clear choice to be made now about whether countries get involved in the UN Tax Convention seriously and make that the solution for everyone, or if they just give up and give up on all these revenues.

Naomi Fowler: Which leads me to ask, you know, multilateralism is in deep trouble, the UN you've talked about as a more likely place where more countries can come together and make agreements because of the way the UN works but are we looking at the OECD now as a dead duck? Is it over for the OECD as a global tax rule setter considering these two major policies are finished?

Alex Cobham: So that's a good question. I mean, I think the OECD is having a bit of an existential crisis. They do now look like an organization in real trouble. As a members club for rich countries, you know, they could continue to exist providing technical analysis to their members in the same way that, for example, the African Tax Administration Forum is supporting its members, African countries in their technical positions in the UN negotiations. So there is a role there as a kind of regional hub for OECD members, if they wanted it.

The thing is, everyone knows that the OECD has more or less failed in all of the tax rule changes they've tried to make in the last 20 years. That's why we are here. So they seem like they're kind of denying the reality of the situation and denying themselves potentially the possibility of moving into that role as a kind of regional advisory body for their own members. So I think there'll have to be a period of thinking and reckoning, but it, it really doesn't feel at the moment as if the OECD can see a future for itself, you know, unless they were somehow able to sabotage the UN convention path. And I think that's unlikely. Now, I think the momentum is with the UN. And the OECD just has to find a way to deal with that.

Naomi Fowler: Thanks, Alex. That's Alex Cobham of the Tax Justice Network. There's further reading on this in the show notes and also on the weaponization of tax against immigrants that we spoke about earlier. The Taxcast was co-produced with Leo Schick. Thanks for listening. Next month is holiday time, so we'll be back with you in September. Bye for now.