

111TH CONGRESS
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S. RES. 74

Expressing the sense of the Senate on the importance of strengthening bilateral relations in general, and investment relations specifically, between the United States and Brazil.

IN THE SENATE OF THE UNITED STATES

MARCH 12, 2009

Mr. LUGAR submitted the following resolution; which was referred to the Committee on Foreign Relations

RESOLUTION

Expressing the sense of the Senate on the importance of strengthening bilateral relations in general, and investment relations specifically, between the United States and Brazil.

Whereas the United States and Brazil enjoy a longstanding economic partnership sustained by robust trade, investment, and energy cooperation;

Whereas investment in and by Brazil promotes economic growth, generates greater wealth and employment, strengthens the manufacturing and services sectors, and enhances research, technology, and productivity;

Whereas the United States is the largest direct investor abroad, with total world-wide investments of \$2,800,000,000,000 in 2007;

Whereas the United States has historically been the largest direct investor in Brazil, investing a total of \$41,600,000,000 in 2007;

Whereas the sound economic policy of the Government of Brazil was given an investment-grade rating by 2 of the 3 major investment rating agencies in 2008;

Whereas the United States is the largest recipient of direct investment in the world, with total foreign direct investments of \$2,100,000,000,000 in 2007;

Whereas the United States receives direct investment from Brazil, including a total of \$1,400,000,000 in 2007;

Whereas Brazil is the only country with a gross national product of more than \$1,000,000,000,000 with which the United States does not have a bilateral tax treaty;

Whereas Brazil is the 4th largest investor in United States Treasury securities, which are important to the health of the United States economy;

Whereas Brazil ranked 3rd among other countries in the number of corporations listed on the New York Stock Exchange in 2008, with 31 corporations listed;

Whereas a bilateral tax treaty between the United States and Brazil would enhance the partnerships between investors in the United States and Brazil and benefit small- and medium-sized enterprises in both the United States and Brazil;

Whereas a bilateral tax treaty between Brazil and the United States would promote a greater flow of investment between Brazil and the United States by creating the certainty that comes with a commitment to reduce taxation and eliminate double taxation;

Whereas the Brazil-U.S. Business Council and the U.S.-Brazil CEO Forum have worked to advance a bilateral tax treaty between the United States and Brazil;

Whereas the Senate intends to closely monitor the progress on treaty negotiations and hold a periodic dialogue with officers of the Department of the Treasury; and

Whereas the United States and Brazil will greatly benefit from deeper political and economic ties: Now, therefore, be it

1 *Resolved*, That it is the sense of the Senate that—

2 (1) the United States Government and the Government of Brazil should continue to develop their
3 partnership; and

5 (2) the Secretary of the Treasury should pursue
6 negotiations with officials of the Government of
7 Brazil for a bilateral tax treaty that—

8 (A) is consistent with the existing tax treaty practices of the United States Government;
9 and

11 (B) reflects modern, internationally recognized tax policy principles.

