Corporations May Dodge Billions in U.S. Taxes Through New Loophole: Experts

Reuters **is reporting** that a loophole in the new U.S. tax law could allow multinational corporations like Apple Inc to avoid paying billions of dollars in taxes on profits stashed overseas, according to experts.

Reporter **David Morgan** explains that the loophole involves the tax rates – 15.5 percent or 8 percent – that companies must pay on $2.6 trillion in profits they are holding abroad.

Stephen Shay, a senior lecturer at Harvard Law School, said the loophole clearly is the result of rushed legislation. He explained that a U.S. multinational could manipulate its foreign cash positions and potentially save money by shifting profits to the lower rate from the higher one.

Read the Reuters article.