

Mr. Chairman, I listened to my friends who are advancing this amendment, and there are a number of things that I agree with them on. I would be happy to have a debate on this floor about corporate inversion and about tax policy. I am troubled by some of the outsourcing of our activities in this country. I think that there are a number of valid points that have been raised. I am concerned, though, about how we are mixing them.

First of all, this is not, as has been referenced, a Stanley Works; this is a spin-off. I have been following this for a number of years, because the gentleman that I started in the political process with some 30 years ago founded the Arthur Andersen office in Portland, Oregon. He has been a close friend. He has not been associated with Arthur Andersen for some 20 years, but we have had many discussions about the travail of that once great accounting firm.

Accenture is a result of a spin-off that was brewing between the consulting wing and the accounting wing, and this finally was formalized in 1987.

Accenture has never been a United States corporation, a United States partnership. Never, not once. I have had this conversation with my friend, I have exchanged documents, I have requested information from them, and I have yet to receive, and I will welcome clarification on my colleague's time, anything that suggests what we are saying is not true. Never a United States corporation, not a United States partnership, spun off 15 years ago. I will enter into the **RECORD** the Notes To Consolidated Financial Statements from Accenture, LTD, that talks about the amount of tax that this entity pays on United States income.

My friend, the gentleman from Arizona, pointed out the effective tax rate was actually higher than that of the competitors that were involved here. We are talking about almost a third of 1 million American jobs, including some in many of our districts. I am troubled that we mix apples and oranges here, that we are having a rhetorical flourish and driving home some important points and mixing it in the only vehicle that is available. I think my friends on the majority side actually invite this sort of debate because we so seldom have a chance to kick it around in an open and honest and direct way, but this is not the vehicle.

Let me give one example in my community where I had to push back with friends on both sides of the aisle. I have the most productive truck manufacturing company in the world, Freightliner, headquartered in Portland, Oregon. There were people who wanted to push back

against the purchase of the finest trucks in the world for our troops in Iraq because the ownership of this company that has been headquartered in my community for 50 years, employing union machinists, union teamsters and painters, was purchased by Daimler-Benz, a German company, and the Germans were not our friends in Iraq for a while. Now the Germans are our friends, because people find out we need them. But there was an attempt to punish a foreign corporation by making it impossible for my employees in my district to be able to bid on a contract.

I would suggest the analogy is exactly the same. I pushed back to protect those jobs. I think we err if we mix apples and oranges and try and throw this contract out.

**ACCENTURE LTD--NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

[In thousands of U.S. dollars except share and per share amounts or as otherwise disclose]

	2003	2002	2001
Current taxes:	\$191,464	\$98,193	\$300,000
U.S. federal	142,941	241,228	382,690
U.S. state and local	20,420	34,461	66,080
Non-U.S.	322,971	358,055	330,590
Total current tax expense	486,332	633,744	779,360
Deferred taxes:			
U.S. federal	48,523	(143,035)	(85,520)
U.S. state and local	6,932	(20,434)	(19,612)
Non-U.S.	24,312	20,796	(171,612)
Total deferred tax expense (benefit)	79,767	(142,673)	(276,744)
Total	566,099	491,071	502,616

Deferred income tax expenses (benefits) related to the additional minimum pension liability were (\$71,920) in fiscal 2003 and were recorded in Accumulated other comprehensive income in the Consolidated Balance Sheet.

Income before taxes from U.S. sources was \$566,896 and \$247,271 in fiscal 2003 and fiscal 2002, respectively. Income before taxes from non-U.S. sources was \$1,045,921 and \$820,287 in fiscal 2003 and fiscal 2002, respectively.

A reconciliation of the U.S. federal statutory income tax rate to Accenture's effective income tax rate is set forth below:

[In percent]		2003	2002
U.S. federal statutory income tax rate	35.0	35.0	35.0
U.S. state and local taxes, net	1.2	1.0	
Non-deductible investment losses	11.7	0.2	
Non-U.S. operations	(2.0)	0.4	1.6
Rate benefit for partnership period			(49.0)
Revaluation of deferred tax liabilities <sup>1</sup>			13.6
Cost of transition to a corporate structure			59.6
Other	0.5	(2.3)	1.2
Effective income tax rate	35.1	46.0	63.2

<sup>1</sup> The revaluation of deferred tax liabilities upon change in tax status is a deferred tax expense recognized upon Accenture's change in tax status from partnership to corporate form.