

The hidden detail in Trump's corporate tax plan could b...

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I have not had much to say on [Trump's corporate tax reform plan](#) largely because others have covered the ground perfectly well. It appears to be largely without economic justification unless the plan is to deliver bias towards large corporations and the wealthiest whilst imposing regressive tax charges on the least well off in the USA. Inherent in the plan is an assault on states that tend to vote Democrat. It's a tawdry, partisan and deeply unjust proposal.

But I have found a curious sting in its tail. Literally, it's at the end. What the plan says as a last gasp is:

To prevent companies from shifting profits to tax havens, the framework includes rules to protect the U.S. tax base by taxing at a reduced rate and on a global basis the foreign profits of U.S. multinational corporations.

I'll be candid: it is not clear what that means. But I think some inferences can be drawn.

The first is that, after all, this is not a territorial tax proposal. It is a worldwide tax proposal with a lower rate for profits earned outside the USA.

Second, this is biased against tax havens, which are presumably identified by having low or no tax rates.

Third, in that case assuming that credit is given for tax paid elsewhere (as is likely) what the Trump plan delivers is a basis for a worldwide minimum corporation tax rate. In other words, the US will tax profits that others exempt to ensure that the incentive to shift to tax havens is removed.

This is not what I expected from Trump. And I may be wrong about what this means: we know how hard he finds it to formulate an idea, let alone stick to it. But if this is true then in this idea (and maybe this idea alone) there is something of interest to be looked at here. And at the very least it might kick start wider debate on something tax justice campaigners have wanted for a long time.