

## **Global Taxation: An Analysis of Proposals and U.S. Response**

Larry R. Garrison  
**University Of Missouri-Kansas City**

At a meeting on January 29, 2004 chaired by Brazilian President Luiz Inacio Lula da Silva and French President Jacques Chirac and attended by Chilean President Ricardo Lagos, and United Nations Secretary-General Kofi Annan a joint declaration was signed to study potential financing plans to fund anti-poverty and world hunger programs. Among the financing plans was an international tax on arms sales and financial transactions. On September 20, 2004 representatives of 110 nations signed a declaration encouraging the use of global taxes to fund anti-hunger programs. In 2005 French President Jacques Chirac proposed a global tax on airline tickets. Various groups have reviewed the suggestions and have issued reports discussing the proposal.

Proposals suggesting global taxes are not new. In the last few years, the United Nations (U.N.) has proposed taxation of U.N.- member states. A major conference addressing this issue was the March 2002 U.N.-sponsored International Conference on Financing for Development held in Monterrey, Mexico. While not specifically on the official agenda, participants discussed global taxation proposals as sources of "innovative revenue sources of funding." The Monterrey conference was the third time within the past decade that a discussion of U.N.- imposed global taxation has received widespread media attention in the United States. The first occasion was then-U.N. Secretary-General Boutros Boutros-Ghali comments in January 1996 suggesting a global tax. The second occasion was the 1999 U.N. Development Program (UNDP)-issued Human Development Report recommending a tax on the Internet. The United States Congress responded to these proposals by enacting legislation requiring executive branch certification that the United Nations is not involved in any effort to impose or implement taxation on any U.S. person before the payment of Foreign Operations funds to the United Nations and stating that no payments made by the United States to the United Nations may be used by the United Nations for any activity related to taxation of the internet or international currency transactions. The third occasion was the above mentioned U.N.-sponsored International Conference on Financing for Development. This paper describes the three occasions mentioned above along with background information and the response by the United States.

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