UNDER GOP PLAN TECH COMPANIS WOULD RECEIVE BIG TAX BREAKS

ROBERT SIEGEL, HOST:

Tucked away in the House and Senate tax bills is a big break for companies that have stockpiled money overseas. The hope is that bringing that cash back to the U.S. will lead to more jobs here. NPR's Aarti Shahani reports.

AARTI SHAHANI, BYLINE: American companies - technology companies in particular - have so much money abroad, tucked away in Ireland, the Cayman Islands. Let's start with Apple, whose balance sheets recently showed a total of $269 billion in cash and investments.

SCOTT KESSLER: Two-hundred-forty-six billion of that capital was overseas, amounting to 91 percent of the total.

SHAHANI: Ninety-one percent overseas - analyst Scott Kessler with CFRA Research breaks down the numbers. Microsoft recently had about 128 out of 139 billion overseas.

KESSLER: That amounts to about 92 percent of the overall total.

SHAHANI: Cisco had 94 percent, Oracle 87 percent. And on the low end - Alphabet, the parent company of Google, just 54 percent. Tech giants have been stockpiling money overseas, waiting with bated breath for the moment that Congress lets them bring it back at a very low rate. It looks like that moment has come. In the Senate and House bills, the rate won't just drop from 35 percent to 20 percent. It'll go all the way down to 14 percent for money abroad that companies bring back. The rationale, as explained by Senator John Cornyn, a Texas Republican...

(SOUNDBITE OF ARCHIVED RECORDING)

JOHN CORNYN: Our tax code incentivizes American businesses to send jobs overseas. So why in the world wouldn't you want to incentivize them to bring those jobs back home, buy and invest here?

SHAHANI: Create American jobs. We've heard this talking point before. In fact in 2004, there was a bill called the American Jobs Creation Act which let companies bring back their money at a super low rate in order to, well, create jobs. Senator Bob Graham, Florida Democrat, speaking 13 years ago...

(SOUNDBITE OF ARCHIVED RECORDING)

BOB GRAHAM: Reducing the tax rate will encourage U.S. multinational companies to expatriate income held offshore in order to make investments in the United States that will create jobs.

SHAHANI: But that's not what happened. According to a 2011 audit by the Senate, the companies that made the most use of the tax holiday ended up cutting, not growing, their American workforce. NPR reached out to seven tech giants - Apple, Alphabet, Microsoft, Facebook, Intel, Oracle, Cisco - to ask, would they use repatriated money to create jobs in the U.S.? The response - no comment, no comment, no comment. Not a single one would make a commitment on the record. But they are using the job creation talking point to push their agenda.

(SOUNDBITE OF TV SHOW, "MAD MONEY")

JIM CRAMER: Would you work closely with the president to get some of these things done so you could do more job creation?

TIM COOK: Well, I think that repatriation...

SHAHANI: Apple CEO Tim Cook in an interview last May with CNBC's Jim Cramer - Cook suggests the tax break will help the American economy.

(SOUNDBITE OF TV SHOW, "MAD MONEY")

COOK: You want people to use this money in the United States to invest more.

SHAHANI: Jason Furman was chair of the Council of Economic Advisers under President Obama, and he describes this argument by Cook and other CEOs as disingenuous and nonsensical.

JASON FURMAN: And the reason this argument is nonsensical is that most of these same companies also have billions of dollars in the United States already. And so if they wanted to expand investment in the United States, they'd have that.

SHAHANI: Wall Street analysts and leading economists say if history is any guide, companies will use the tax break to buy back stock and give money to investors. Aarti Shahani, NPR News, San Francisco.

(SOUNDBITE OF THE XX'S "TOGETHER")