

USA VALUES, LLC NEW MONEY FOR NEW DELIVERIES OF Early Reading Skills

Repatriations Money for Investments Revisited

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This comment was lifted from page B12 of the Spring 2011 Bloomberg Government Insider.

Published on 4-11-2011. Important to note that the Multinationals have already repatriated 350 billion in 2005 and 06 for the purpose of High Quality Job Creation. They each have a BOD level file of what they did with the cash. Possibly that cash, because it was invested then, is now ready for reinvestment from them now.

We like what Mr. DiMicco says; it mirrors the logic USA VALUES, LLC projects as a source of New Money For Early Reading Skills Delivered that exists today based on the 350 Billion Dollars of 2005.

We suggest that Economic Development Corporations work directly with School districts so that the School District can be certain 100% of the children are ready for kindergarten and the school district and government agencies can use the saving from that change in input to pay back the investor.



As a part of this statement- I am republishing our historical notes about this.

All the New Money (cash) that we need to deliver 100% of the at risk children ready to read, count and understand positive direction exists and also requires the leadership and the commitment to make

certain, child by child, that the gap is prevented with the spending. Certainly the multinationals would invest willingly “as an almost gift” if they were to be paid back. Philip Crosby defined making certain about prevention. The private sector needs to step up to the definition of high quality (just meet the kindergarten requirement) at the cost of \$4-5,000 per year for 2 years (\$8-10,000 per child). 2,000,000 children are at risk each year. Total investment is \$20 billion per year, Title I and Head Start covers a big part of this already, and it would be paid back by the school districts, counties and or states from the savings. K-12 systems would create High Quality Programs that would restructure deliveries and costs defined to save money because First Things First would be done Right the First Time. This 20 billion dollars per year creates ½ trillion dollars of present value of positive expectations at age 6 (pre first grade) that does not exist without the investment.

See posting on our site of the 2004 Job Creation Act.

<http://www.usavalues-character.com/References/repatriationfactsheetfinal.pdf>

Recapped from the above PDF from DEPARTMENT OF THE TREASURY

Office of Public Affairs

January 13, 2005

FACT SHEET:

Guidance on Repatriation of Foreign Earnings Under the American Jobs Creation Act

Overview:

The Treasury Department and IRS today announced the first in a series of notices that will provide detailed guidance for U.S. companies planning to repatriate earnings from overseas subsidiaries subject to the temporary reduced tax rate available under the American Jobs Creation Act (AJCA). The notice released today gives guidance to companies on how to satisfy the domestic reinvestment plan requirement and on the kinds of investments in the United States for which the repatriated funds may be used under this provision.

Background:

Internal Revenue Code Section 965, enacted as part of the AJCA in October 2004, is a temporary provision that allows U.S. companies to repatriate earnings from their foreign subsidiaries at a reduced tax rate provided that the specified conditions and restrictions are satisfied. Section 965 provides that U.S. companies may elect, for one taxable year, an 85% dividends received deduction for eligible dividends from their foreign subsidiaries.

Section 965 contains several limitations on the repatriated dividends that are eligible for the reduced tax rate. One such requirement is that the repatriated funds must be invested by the company in the United States pursuant to a domestic reinvestment plan approved by company management before the funds are repatriated. Today's notice focuses on this requirement and provides detailed guidance to assist companies in satisfying this requirement.

How it works:

- Under the new law, for one year only, companies that repatriate earnings from foreign subsidiaries to the United States and meet the specified requirements are
- subject to a reduced tax rate on the repatriated earnings.
- $\frac{3}{4}$ Before repatriating the earnings, the company must have a domestic reinvestment plan for such earnings that is approved by the company's CEO or President and is subsequently approved by its board of directors.
- There are limits on what constitutes an investment in the United States as required
- under this provision.

Domestic Reinvestment Plan:

The domestic reinvestment plan must be approved by the company's president, CEO, or comparable official before the dividend is paid. The plan must also be approved subsequently by the company's board of directors, management committee, executive committee, or similar body.

The plan must describe specific anticipated investments in the United States. There is no required form or template that must be used for the plan. The plan must describe the anticipated U.S. investments in reasonable detail and specificity. The plan must state a reasonable time period during which the company anticipates completing the investments. The plan may provide for alternative investments to be made if the principal investments specified cannot be made. The plan must state the total dollar amount for each principal investment.

Permitted investments:

Section 965 identifies types of U.S. investments for which repatriated funds may be used under a domestic reinvestment plan. Today's notice provides guidance on the following U.S. investments:

- Hiring and training workers
- Infrastructure and capital investments

- Research and development
- Financial stabilization for the purposes of U.S. job retention or creation
- This would include debt repayment and the funding of qualified benefit plan obligations
- Certain acquisitions of business entities with U.S. assets
- Advertising and marketing
- Acquisition of rights to intangible property, such as a patent rights

Expenditures that are not permitted investments:

Some expenditures do not constitute investments for which repatriated funds may be used under a domestic reinvestment plan. Today's notice provides guidance on the following non-permitted investments:

- Executive compensation
- Intercompany transactions
- Dividends and other shareholder distributions
- Stock redemptions
- Portfolio investments
- Debt instruments
- Tax payments

Neither the list of permitted investments nor the list of non-permitted investments is exhaustive.

Administrative guidance:

The election to apply the section 965 repatriation provision is made by attaching an election form or statement to the tax return for the year. Information must be reported to the IRS annually regarding investments made under a domestic reinvestment plan.

A safe harbor, based on a showing of progress toward completion of the planned U.S. investments, may be used to establish that the domestic reinvestment plan requirement has been satisfied.

QUESTIONS AND ANSWERS

When is the provision effective?

The provision generally applies to the first taxable year beginning on or after the October 22, 2004 enactment (which means 2005 for calendar-year taxpayers). Alternatively, the provision could be applied to the preceding taxable year (which means 2004 for calendar year taxpayers).

Exactly what is the tax reduction to companies on the foreign earnings they repatriate?

The U.S. company is permitted to deduct 85% of the repatriated dividends. If the company is subject to the 35% corporate tax rate on the other 15% of the repatriated amount, that represents effectively a 5.25% tax rate on the total repatriated dividend.

Do firms have to use the tax break in 2005 or could they save it and use it in 2006 or in later years?

The provision applies only for the year specified and cannot be used in later years.

Are companies required to use the exact funds they repatriate to make the required U.S. investment?

No, companies are not required to trace or segregate the repatriated funds. Companies simply must demonstrate that an amount equal to the amount of repatriated funds is invested under the domestic reinvestment plan.

Do the investments have to be completed in a specific time frame? Do they have to be completed in the same year that the company takes the tax break?

No, there is no specific time limit for making the investments. Investments may be completed in a tax year after the year in which the funds are repatriated. The domestic reinvestment plan must state a reasonable time period anticipated for completion of the investments.

Does payment of tort liabilities qualify as a permitted use of repatriated funds?

Today's notice provides general guidance on the domestic investment of repatriated funds and provides specific guidance on several categories of permitted and non-permitted investments. The investments addressed in the guidance are illustrative and the guidance is not intended to provide an exhaustive list. The notice does not specifically address expenditures for tort liabilities. The notice does provide general guidance that expenditure for financial stabilization for domestic job retention or creation is a permitted use, which could encompass payments to satisfy a company's outstanding liabilities.

Back in 2005 USA VALUES, LLC had the following to say- Now it is repeated because the cash still exists. Almost Certainly, it has not been lost and is ready for reinvestment. The structured source of the money has been confirmed by Mr. DiMicco per the above.

This was published in July 2005.

America! "Pay-it-Forward!" Power Education's Innovation! with the NEW MONEY

The USA is coming together with NEW MONEY. Effective citizens, in power, now have it or are in position to receive it. The NEW MONEY is from the Job Creation Act of 2004. It is a "gift" from the Government in 2004 ...to arrive in 2005-2010 and beyond. Briefly, the Federal Government set up future investments in domestic job creation with funds that were earned, earmarked and located offshore for foreign investment by the US multinational corporations. Additionally, the government demonstrated a belief in Corporate America's effectiveness in job creation and trumped the bet with new tax deductions for the domestic manufacturing expenses of all corporations to provide even more cash for job creation and growth.

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- o <http://www.google.com/search?hl=en&q=repatriate+earnings+&btnG=Google+Search>

- Rules covering portions of this "gift" have been created by the Treasury Department calling for ethical executive and BOD commitment to "pay forward" the whole dividend (\$350 billion) on job creation.

- o <http://www.treas.gov/press/releases/reports/repatriationfactsheetfinal.pdf>

- o <http://www.treas.gov/press/releases/reports/finalsecondrepatriationfactsheet.pdf>

- All Manufacturing companies are given new tax deductions because they manufacture (\$80 billion per year)--

- http://www.grantthornton.ca/tax/articles/Teo-Wendy_article_10-27-04.pdf

NEW MONEY is first-things-first in the end-in-mind commitment to job creation. Demographers point out that growth will necessarily be filled in the future by at-risk children who must stay engaged (committed) to their opportunity via education. Please use these links to meet some of the influencers of the commitment, some influencers are not yet aware of this NEW MONEY.

- Neighborhoods and Neighborhood organizations

- <http://www.nanworld.org/>; <http://www.unca.org/>; <http://www.americaspromise.org/>; <http://www.charactercounts.org/>

- Community Schools

- <http://www.google.com/search?hl=en&q=Coalition+for+Community+Schools&btnG=Google+Search>

- <http://www.communityschools.org/>

- Parents and Teachers (PTA) and Preschool Advocates

- <http://www.pta.org/>; <http://www.preknow.org/about.html>

- Elementary School Principals <http://www.naesp.org/>

Please use Google to find:

- City Councils; Mayors; School districts; School boards; Superintendents; Principals,

- Faith-Base; Organizations like the local Y's and Boy's and Girl's Clubs,

- Countywide, Statewide government and school organizations; Federal government organizations.

- Statewide and National level professional and service organizations.

- Newspapers covering the size and use of the repatriations.

Here is an example. "It's been a bonanza for pharmaceutical companies. Drug giant Pfizer Inc. alone is returning a sizable \$36.9 billion in overseas profits" quoted from Black Enterprise Magazine. They had few active domestic ideas for this money until October 2004. So will they use it in the neighborhood to create future jobs for the most at-risk, poorest of the poor? Honestly, the private money to be considered in any effort will need to see solid community commitment to age 3-6 reading skills for the most at-risk. With the New Money on its way we must innovate in a way that shows year-after-year commitment.

Educators know our society has not registered the importance of the Sensitive Language Learning Period for age 3-6 children. On-point discussion with a public kindergarten teacher and the principal convinces the effective citizen that the early reading gifts must be given to all the children to make the most out of investments in the whole child and our classrooms.

Demographers say; <http://www.usavalues-character.org/References/manychildren.pdf>

Elementary School Principals Say; http://www.usavalues-character.org/References/ECLC_ExecSum.pdf

When the benefits and simplicities of early reading skills are sorted out by USA citizens; AND understood to be tools against poverty; the new expectation for giving to 100% of at-risk children will arise.

See <http://ulticharnetwork.blogspot.com/>

USA VALUES – CDP, Character Development Programs promotes truth; 1) The gift of Early Reading Skills (the FIRST value) is required for ALL age 3–6 children before they start kindergarten; 2) This individual gift is the key to opportunity; 3) The gift is the most effective and lowest cost approach to preparing at-risk children for opportunities; 4) The principal is vested in 100% of the children starting kindergarten ready-to-read. CDP is a 501(C)(3) business expecting to link families, paid volunteers, early childhood learning and faith-base resources, schools, corporations and agencies to first deliver 100% of the children to be ready-to-read starting in kindergarten. For other press releases and commentary that encourage a response, see <http://chardevelactivity.blogspot.com/>.