

# United States Senate

WASHINGTON, DC 20510

October 26, 2023

The Honorable Janet Yellen  
Secretary  
U.S. Department of Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

The Honorable Antony Blinken  
Secretary  
U.S. Department of State  
2201 C St., NW  
Washington, DC 20520

Dear Secretary Yellen and Secretary Blinken,

We are writing to you regarding the recent action by Russian President Vladimir Putin to unilaterally suspend many provisions of the tax treaty between Russia and the United States. In response, we urge you to strongly consider terminating or suspending the agreement.

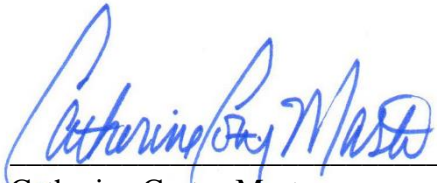
As you know, following the collapse of the Soviet Union, President George H.W. Bush initiated a series of tax treaty negotiations with Russia, Ukraine, and Kazakhstan. U.S. policy aimed to encourage the emergence of democratic, market economies in the region and facilitate U.S. investment in Russia. The U.S. Income Tax Convention with the Russian Federation entered into force on January 1, 1994 and sought to decrease double taxation on cross border investment between Russia and the United States and encourage closer economic ties.

Unfortunately, Russia's illegal and unprovoked war in Ukraine, as well as countless other actions, show that President Putin does not intend to pursue a path of peace and global cooperation. Decree No. 585, which President Putin announced on August 8, 2023, continues this trend. This decree suspends many of the treaty provisions indefinitely and as a consequence, Russia will not deliver on its treaty promise of reduced withholding tax rates on U.S. investment.

In response to this development, we urge you to strongly consider using the authorities under Article 28 to terminate or suspend the treaty. Not only is it an appropriate response to such a blatant violation of the agreement, but suspending or eliminating the tax treaty with Russia would prevent preferential tax treatment for Russian businesses and investments in the United States. Termination of the agreement would also further degrade Russia's ability to finance its illegal war in Ukraine. Similar actions were taken against the South African apartheid regime in the 1980s with the overwhelming support of the U.S. Congress.

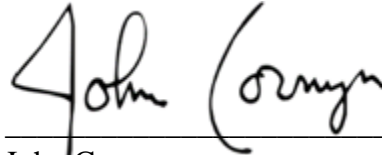
While we strongly support bilateral tax treaties to encourage investment and reduce double taxation, we believe our treaty with Russia should be removed. We stand ready to work with you to advance any needed legislation to this effect in Congress and look forward to your response.

Sincerely,



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Catherine Cortez Masto  
United States Senator



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John Cornyn  
United States Senator