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Brett Biggs
Executive Vice President and Chief Financial Officer

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Secretary Jacob J. Lew
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C., 20220

Secretary Lew:

I am writing to express concern with the scope of the proposed debt-equity regulations issued under Internal Revenue Code Section 385. While we understand and appreciate your concerns with inversion activity, these regulations go far beyond the scope of inversion practices and would impact day-to-day, ordinary course of business activities that U.S. based companies like Walmart use to manage their global businesses. Walmart currently operates stores and ecommerce sites in 28 countries, including the United States. The company has an effective tax rate that averages 32%. Last year, Walmart paid over $6 billion in U.S. federal corporate income taxes, which represented nearly two percent of all federal corporate income tax revenue received by the U.S. Treasury.

Given the short time frame in which Treasury seeks to finalize the proposed regulations, we would strongly urge Treasury to consider a full exemption of foreign-to-foreign subsidiary intercompany lending from the scope of the regulations. These transactions neither relate to inversions nor risk "stripping" the U.S. tax base. Otherwise, attempting to draw lines around definitions of "qualified cash pools" will become cumbersome and may not reflect the realities of how various industries need to fund their global investment and growth.

We appreciate your consideration of this request and would be glad to provide any additional analysis and information to you and your staff at any time.

Sincerely,

Brett Biggs
Executive Vice President-Chief Financial Officer
Wal-Mart Stores, Inc.