

After \$4 Trillion Boondoggle, The Republican Tax Bill Could Give 15 Corporations A \$236 Billion Tax Break

Over the last 30 years, 15 of the largest US corporations¹ have accepted \$3.9 trillion of corporate welfare in the form of subsidies, tax credits, and bailouts,² and another \$108 billion in government handouts in the form of federal contracts.³ On top of this \$4 trillion boondoggle, Republicans want to give these corporations an additional \$236 billion tax cut.

Corporation	Corporate Welfare & Government Handouts	Additional Tax Break in Republican Tax Bill
Apple	\$726,223,109	\$47,970,000,000
Pfizer	\$9,571,851,968	\$38,794,080,000
Microsoft	\$2,037,576,631	\$27,690,000,000
General Electric	\$205,340,207,105	\$15,990,000,000
IBM	\$24,313,718,857	\$13,923,000,000
Johnson & Johnson	\$1,621,353,856	\$12,909,000,000
Merck	\$13,328,225,608	\$12,304,500,000
Google	\$829,718,027	\$11,836,500,000
Exxon Mobil	\$14,966,639,064	\$10,530,000,000
Procter & Gamble	\$3,621,713,848	\$9,555,000,000
Citigroup	\$2,769,838,773,042	\$9,165,000,000
Chevron	\$5,147,874,175	\$9,048,000,000
Goldman Sachs	\$950,412,213,442	\$6,091,800,000
Eli Lilly	\$286,845,791	\$5,460,000,000
Walmart	\$206,912,303	\$5,187,000,000
Total:	\$4,002,249,846,862	\$236,453,880,000

“When government uses taxpayer funding and resources to give special advantages to private companies, it distorts the free market and erodes public trust in our political system. By enlarging the scope of government and placing enormous power in the hands of bureaucrats, it multiplies opportunities for corruption and favoritism... Crony capitalism gives us special interest tax breaks, custom-designed regulations, and special exemptions for favored parties.”

Republican Party Platform, 2016⁴

The US Cannot Afford To Give A Tax Break To Corporations That Have Already Received Trillions In Government Handouts

Candidate Trump promised the American people that he would prevent the outsourcing of American jobs. But President Trump supports tax legislation that encourages companies to shift their jobs and profits overseas by moving to a “territorial” tax system that would exempt future offshore profits of US

¹ The corporations analyzed in this report are half of the top corporations with the most money held in offshore tax havens as reported by ITEP: Institute on Taxation and Economic Policy, “Offshore Shell Games 2017,” October 2017; online: <https://itep.org/offshoreshellgames2017/>

² Good Jobs First – Subsidy Tracker; online: <https://www.goodjobsfirst.org/subsidy-tracker/>; Data on loans and bailouts does not include repayments.

³ Project on Government Oversight, FedSpending.org Contract Database, accessed Dec. 2017; online: <https://www.fedspending.org/>

⁴ Republican Party Platform, Government Reform, 2016; online: <https://gop.com/platform/reforming-government/>

subsidiaries from taxation.⁵ The Republican tax bill will also reward tax-dodging corporations by allowing them to repatriate funds (bring money to the US from tax havens) and only pay a fraction of the taxes owed.

Each and every year, profitable corporations avoid \$100 billion in US taxes by stashing their cash in the Cayman Islands and other offshore tax havens.⁶ The situation has become so absurd that one five-story office building in the Cayman Islands is the “home” to more than 18,000 corporations.⁷ Some companies, including Walmart⁸ and Procter & Gamble⁹, report billions of dollars earned in countries where they employ no staff.

While using accounting tricks to dodge taxes, these corporations benefit from billions of dollars in grants, loans, and bailouts, as well as tax subsidies and credits provided by federal, state, and local governments seeking to encourage job creation. To further support domestic businesses, the federal government contracts with corporations for goods and services. Some corporations get tax credits, loans, *and* contracts. Of the top 100 federal contractors in 2014, nearly half also received tax credits and 24% received tax credits and loans or bailout assistance on top of a federal contract.¹⁰

American taxpayers have already provided trillions of dollars to corporations in tax credits, contracts, and bailouts on top of paying their own taxes that provide the infrastructure necessary to maintain a stable economy. Corporations do not need more government handouts. It is time for them to pay their taxes like the rest of us.

Corporation	Corporate Welfare Subsidies, Tax Credits, Loans & Bailouts	Government Handouts Federal Contracts	Total Taxpayer Giveaways
Apple	\$692,674,548	\$33,548,561	\$726,223,109
Pfizer	\$591,367,005	\$8,980,484,963	\$9,571,851,968
Microsoft	\$420,081,487	\$1,617,495,144	\$2,037,576,631
General Electric	\$162,686,840,312	\$42,653,366,793	\$205,340,207,105
IBM	\$1,598,298,379	\$22,715,420,478	\$24,313,718,857
Johnson & Johnson	\$83,613,496	\$1,537,740,360	\$1,621,353,856
Merck	\$141,444,517	\$13,186,781,091	\$13,328,225,608
Google	\$829,012,215	\$705,812	\$829,718,027
Exxon Mobil	\$4,805,967,264	\$10,160,671,800	\$14,966,639,064
Procter & Gamble	\$233,533,869	\$3,388,179,979	\$3,621,713,848
Citigroup	\$2,768,633,712,168	\$1,205,060,874	\$2,769,838,773,042
Chevron	\$2,189,594,636	\$2,958,279,539	\$5,147,874,175
Goldman Sachs	\$950,384,923,054	\$27,290,388	\$950,412,213,442
Eli Lilly	\$285,170,437	\$1,675,354	\$286,845,791
Walmart	\$205,340,844	\$1,571,459	\$206,912,303
Total	\$3,893,781,574,231	\$108,468,272,595	\$4,002,249,846,862

⁵ Washington Post, “The Senate Just Passed a Massive Tax Bill. Here’s What Is In It,” Nov. 30, 2017; online: https://www.washingtonpost.com/news/wonk/wp/2017/11/30/what-is-in-the-senates-massive-tax-bill-and-what-could-change/?utm_term=.800bb82f6d79

⁶ Institute on Taxation and Economic Policy, “Offshore Shell Games 2017,” October 2017; online: <https://itep.org/offshoreshellgames2017/>

⁷ The Guardian, “We Can’t Rely on Leaks to Enforce Tax Policy. Labor Will Crack Down on Havens.” Nov. 5, 2017; online: <https://www.theguardian.com/commentisfree/2017/nov/06/we-cant-rely-on-leaks-to-enforce-tax-policy-labor-will-crack-down-on-havens>

⁸ Americans for Tax Fairness, “The Walmart Web,” June 2015; online: <https://americansfortaxfairness.org/issues/corporate-tax-dodgers/the-walmart-web/>

⁹ US Senate Permanent Subcommittee on Investigations, “Repatriating Offshore Funds: 2004 Tax Windfall for Select Multinationals,” Oct. 11, 2011

¹⁰ Good Jobs First, “Uncle Sam’s Favorite Corporations: Identifying the Large Companies that Dominate Federal Subsidies,” March 2015; online: <http://www.goodjobsfirst.org/sites/default/files/docs/pdf/UncleSamsFavoriteCorporations.pdf>

Giving Corporations Another Tax Break On Offshore Funds Will Not Boost The Economy

If the GOP tax plan becomes law, corporations stand to gain hundreds of billions of dollars.¹¹ Corporations have outright stated that they will not use repatriated funds to create jobs or invest in the economy. A July survey of American CEOs revealed that most corporations would spend repatriated money to pay down debt and repurchase shares.¹² In November 2017, executives at large corporations including Cisco Systems, Pfizer, and Coca-Cola all said “they’ll turn over most gains from proposed corporate tax cuts to their shareholders.”¹³ CNBC surveyed CFOs at US corporations and found that just 8% planned to use repatriated money to hire more workers and 29% said they would buy back stock.¹⁴

Of Republican claims that the entirety of repatriated funds will be freed up for use in the American economy, PolitiFact noted that 40-45% of “offshore profits are already in the United States in the form of bank accounts or investments in bonds or stocks... The consensus is that a change in tax law would not inject a flood of new money into the economy because it is already here.”¹⁵

Republicans Invoke Bush on Tax Cuts, But His Repatriation Holiday Was A Failure

The Republican tax plan is similar to legislation passed under the George W. Bush administration. In 2004—as in 2017—corporations held billions of dollars in offshore tax havens while CEOs and conservative politicians claimed that high taxes were preventing the money from being invested in the US.

As part of the 2004 American Jobs Creation Act, corporations were allowed to repatriate funds at a 5.25% tax rate with the assumption that the money would be used to boost the economy.¹⁶ Of that repatriation tax cut, Sen. Chuck Grassley (R-IA) said: “This bill contains some of the most important international tax reforms in decades, bringing foreign earnings home for investment in the United States instead of investing overseas, hence creating jobs in the United States.”¹⁷

The 2004 repatriation tax holiday did not work as intended. Corporations brought \$312 billion to the US from tax havens around the world, dodging an estimated \$3.3 billion in tax payments. Congress stipulated that the money be used to create jobs and further research and development projects while also prohibiting corporations from using the influx of cash to buy back stocks or increase executive compensation.¹⁸

Congress, however, failed to institute any legal enforcement of these rules or even a system to track the money once it was brought to the US. Without any oversight, corporations spent the money on executive

¹¹ CNN, “Republicans Release Their Final Tax Bill Ahead of Key Vote Next Week,” Dec. 15, 2017; online:

<http://www.cnn.com/2017/12/15/politics/republican-tax-bill/index.html>

¹² CNBC, “Companies Have Big Plans for Trillions in Overseas Cash – If Tax Reform Ever Happens,” July 13, 2017; online:

<https://www.cnbc.com/2017/07/13/companies-have-big-plans-foroverseas-cash--if-tax-reform-ever-happens.html>

¹³ Bloomberg, “Trump’s Tax Promises Undercut by CEO Plans to Help Investors,” Nov. 29, 2017; online: <https://www.bloomberg.com/news/articles/2017-11-29/trump-s-tax-promises-undercut-by-ceo-plans-to-reward-investors>

¹⁴ CNBC, “CFOs Tell CNBC the Truth About Tax Reform: Most Workers Won’t Be Getting a Raise,” Nov. 22, 2017; online:

<https://www.cnbc.com/2017/11/22/cfos-say-corporate-tax-reform-will-create-jobs-but-may-not-help-wages.html>

¹⁵ PolitiFact, “GOP Tax Bill and Overseas Profits: Beware the Hype,” Dec. 5, 2017; online: <http://www.politifact.com/punditfact/statements/2017/dec/05/chris-ruddy/gop-tax-bill-overseas-profits-beware-hype/>

¹⁶ House of Representatives Conference Report to Accompany H.R. 4520, Oct. 7, 2004; online: <https://www.congress.gov/108/crpt/hrpt755/CRPT-108hrpt755.pdf>

¹⁷ Senate Conference Report, “American Jobs Creation Act of 2004,” Oct. 10, 2004; online: <https://www.congress.gov/congressional-record/2004/10/10/senate-section/article/s11019-5>

¹⁸ US Senate Permanent Subcommittee on Investigations, “Repatriating Offshore Funds: 2004 Tax Windfall for Select Multinationals,” Oct. 11, 2011

pay and inflated stock prices through massive share buybacks. Fifteen corporations (a different set of 15 than discussed in this report) repatriated \$150 billion and slashed nearly 21,000 jobs.¹⁹

Instead of encouraging corporations to end the practice of storing funds offshore, overseas holdings increased in the years after the 2004 tax holiday. Some corporations have since reported “staggering increases” in their offshore accounts while decreasing their effective tax rate on profits that are kept in the US.²⁰

A 2011 Senate investigation into the long-term effects of the 2004 repatriation concluded that “the possibility of a repeat **repatriation tax break provides U.S. multinational corporations with an incentive to move more jobs, operations, and investments abroad, and keep substantial funds offshore, in order to take advantage of the next opportunity to bring corporate profits back to the United States at an extremely low tax rate.** The empirical evidence indicates that corporations will benefit even more than before if another repatriation tax break occurs.”²¹

That is exactly what has happened. After years of taking government handouts and hiding profits in tax havens, the biggest corporations in America are about to save billions of dollars in legislation that has been sold as a tax cut for working families.

¹⁹ *Ibid.*

²⁰ *Ibid.*

²¹ *Ibid.*

CORPORATE BOONDOGGLE: APPLE

Total in Corporate Welfare & Government Hand-Outs: \$726 Million

Subsidies, Tax Credits, and Grants: \$692,674,548²²

Federal Contracts: \$33,548,561²³

Additional Apple Tax Cut in Republican Tax Plan: \$48 Billion

Profits Kept in Tax Havens: \$246,000,000,000²⁴

Taxes Owed at Current Tax Rate: \$76,752,000,000
(35% - 3.8% reportedly paid offshore²⁵)

Taxes Owed under Republican Bill's Tax Rate: \$28,782,000,000
(15.5% - 3.8%)

Potential Savings: \$47,970,000,000

Apple Owes Billions In Back Taxes to its Tax Haven

In 2014, the European Commission found that Apple structured two Irish tax havens in such a way that it paid just 0.005% on its European profits and owed \$14.5 billion in back taxes to Ireland.²⁶

Apple CEO Claims Taxes Keep Money Overseas; In Reality, Apple Invests Almost All of its Offshore Money in US Assets

In 2015, Apple CEO Tim Cook claimed he leaves billions in profits offshore “because it would cost me 40 percent to bring it home. And I don't think that's a reasonable thing to do.”²⁷

In 2010, Apple held \$29 billion in offshore tax havens. A Senate investigation revealed that between 76% and 100% of that amount was invested in US assets.²⁸

²² Good Jobs First, Subsidy Tracker: Apple – State/Local Awards: 2009-present, Federal Awards: 2000-present; online: <https://subsidytracker.goodjobsfirst.org/prog.php?parent=apple-inc>

²³ Project on Government Oversight, Contracts to Apple Inc. (FY 2000-2015), online:

https://www.fedspending.org/fpds/fpds.php?combDuns=060704780&sortp=f&detail=-1&datatype=T&reptype=r&database=fpds&fiscal_year=&submit=GO

²⁴ Institute on Taxation and Economic Policy, “Offshore Shell Games 2017,” October 2017; online: <https://itep.org/offshoreshellgames2017/>

²⁵ *Ibid.* Apple claims it pays a 3.8% tax rate on offshore profits. The US gives corporations a credit for taxes paid overseas, so Apple's corporate tax rate is a minimum of 3.8% lower than the US tax rate.

²⁶ *Ibid.*

²⁷ 60 Minutes, “What's Next For Apple?” Dec. 20, 2015; online: <https://www.cbsnews.com/news/60-minutes-apple-tim-cook-charlie-rose/>

²⁸ US Senate Permanent Subcommittee on Investigations, “Offshore Funds Located Onshore,” Dec. 14, 2011; online:

<https://www.hsgac.senate.gov/subcommittees/investigations/media/new-data-show-corporate-offshore-funds-not-trapped-abroad-nearly-half-of-so-called-offshore-funds-already-in-the-united-states>

CORPORATE BOONDOGGLE: PFIZER

Total in Corporate Welfare & Government Hand-Outs: \$9.6 Billion

Subsidies, Tax Credits, and Grants: \$371,367,005 ²⁹

Loans and Bailouts: \$220,000,000 ³⁰

Federal Contracts: \$8,980,484,963 ³¹

Additional Pfizer Tax Cut in Republican Tax Bill: \$38.8 Billion

Profits Kept in Tax Havens: \$198,944,000,000 ³²

Taxes Owed at Current 35% Tax Rate: \$69,630,400,000

Taxes Owed under Republican Bill's 15.5% Tax Rate: \$30,836,320,000

Potential Savings: \$38,794,080,000

FLASHBACK to 2004: Pfizer Repatriated Billions & Fired Thousands of Employees

In 2004, Pfizer brought money from tax havens into the US and instead of creating jobs and investing in the economy, within three years the corporation fired thousands and gave its executives a huge raise. ³³

Brought Back: \$35,491,821,577

Employees Fired: 11,748

Executive Raise: \$12,800,000

Great Return on Political Investment

Over the past 30 years, Pfizer has contributed \$15,673,394 to Republicans—63% of all its political donations. ³⁴ If the Senate bill is passed into law, Pfizer will have a \$40.7 billion return on its \$15.7 million investment.

²⁹ Good Jobs First, Subsidy Tracker: Pfizer – State/Local Awards: 1992-present, Federal Awards: 2000-present; online: <https://subsidytracker.goodjobsfirst.org/prog.php?parent=pfizer>

³⁰ *Ibid.*

³¹ Project on Government Oversight, Contracts to Pfizer Inc. (FY2000-2015), online:

https://www.fedspending.org/fpds/fpds.php?combDuns=001326495&sortp=f&detail=-1&datatype=T&reptype=r&database=fpds&fiscal_year=&submit=GO

³² Institute on Taxation and Economic Policy, “Offshore Shell Games 2017,” October 2017; online: <https://itep.org/offshoreshellgames2017/>

³³ US Senate Permanent Subcommittee on Investigations, “Repatriating Offshore Funds: 2004 Tax Windfall for Select Multinationals,” Oct. 11, 2011

³⁴ Center for Responsive Politics, Pfizer Inc. Summary; online: <https://www.opensecrets.org/orgs/totals.php?id=D000000138&cycle=2016>

CORPORATE BOONDOGGLE: MICROSOFT

Total in Corporate Welfare & Government Hand-Outs: \$2 Billion

Subsidies, Tax Credits, and Grants: \$420,081,487³⁵

Federal Contracts: \$1,617,495,114³⁶

Additional Microsoft Tax Cut in Republican Tax Bill: \$27.7 Billion

Profits Kept in Tax Havens: \$142,000,000,000³⁷

Taxes Owed at Current Tax Rate: \$45,014,000,000
(35% - 3.3% taxes paid offshore³⁸)

Taxes Owed under Republican Bill's Tax Rate: \$17,324,000,000
(15.5% - 3.3%)

Potential Savings: \$27,690,000,000

FLASHBACK to 2010: Microsoft Used Millions in Tax Haven Funds to Buy US Assets

In 2010, Microsoft reported holding \$34 billion in offshore tax havens. A Senate investigation revealed that instead of leaving the money overseas, Microsoft had invested between 76% and 100% of the amount back into US assets.³⁹

³⁵ Good Jobs First, Subsidy Tracker: Microsoft – State/Local Awards: 2004-present, Federal Awards: 2000-present; online: <https://subsidytracker.goodjobsfirst.org/prog.php?parent=microsoft>

³⁶ Project on Government Oversight, Contracts to Microsoft (FY2000-2015), online:

https://www.fedspending.org/fpds/fpds.php?combDuns=081466849&sortp=f&detail=-1&datatype=T&reptype=r&database=fpds&fiscal_year=&submit=GO

³⁷ Institute on Taxation and Economic Policy, “Offshore Shell Games 2017,” October 2017; online: <https://itep.org/offshoreshellgames2017/>

³⁸ *Ibid.* Microsoft claims it pays a 3.3% tax rate on offshore profits. The US gives corporations a credit for taxes paid overseas, so Microsoft's corporate tax rate is a minimum of 3.3% lower than the US tax rate.

³⁹ US Senate Permanent Subcommittee on Investigations, “Offshore Funds Located Onshore,” Dec. 14, 2011; online:

<https://www.hsgac.senate.gov/subcommittees/investigations/media/new-data-show-corporate-offshore-funds-not-trapped-abroad-nearly-half-of-so-called-offshore-funds-already-in-the-united-states>

CORPORATE BOONDOGGLE: GENERAL ELECTRIC

Total in Corporate Welfare & Government Hand-Outs: \$205.4 Billion

Subsidies, Tax Credits, and Grants: \$1,704,005,428 ⁴⁰

Loans and Bailouts: \$160,982,834,884 ⁴¹

Federal Contracts: \$42,653,366,793 ⁴²

Additional General Electric Tax Cut in Republican Tax Bill: \$16 Billion

Profits Kept in Tax Havens: \$82,000,000,000 ⁴³

Taxes Owed at Current 35% Tax Rate: \$28,700,000,000

Taxes Owed under Republican Bill's 15.5% Tax Rate: \$12,710,000,000

Potential Savings: \$15,990,000,000

FLASHBACK, 2008-2015: General Electric Had A Negative Tax Rate While Taking Government Handouts & Slashing Jobs

General Electric has been a huge beneficiary of corporate welfare. Between 2008 and 2015, General Electric:

- Had a *negative* tax rate of 3.4% ⁴⁴;
 - General Electric received more tax rebates than it paid in taxes.
- Received at least \$1,408,345,331 in taxpayer subsidies ⁴⁵;
- Was penalized at least \$605,083,709 for a number of violations, including:
 - \$262,600,000 for discriminatory and deceptive credit card practices and \$50,000,000 for reporting fraudulent financial information to the SEC ⁴⁶;
- Won at least \$22,954,125,781 in federal contracts ⁴⁷; and,
- Cut 14,700 jobs. ⁴⁸

⁴⁰ Good Jobs First, Subsidy Tracker: General Electric – State/Local Awards: 1992-present, Federal Awards: 2000-present; online: <https://subsidytracker.goodjobsfirst.org/prog.php?parent=general-electric>

⁴¹ *Ibid.*

⁴² Project on Government Oversight, Contracts to General Electric (FY2000-2015), online:

https://www.fedspending.org/fpds/fpds.php?combDuns=001367960&sortp=f&detail=-1&datatype=T&reptype=r&database=fpds&fiscal_year=&submit=GO

⁴³ Institute on Taxation and Economic Policy, “Offshore Shell Games 2017,” October 2017; online: <https://itep.org/offshoreshellgames2017/>

⁴⁴ Institute for Policy Studies, “Corporate Tax Cuts Boost CEO Pay, Not Jobs,” Aug. 30, 2017; online: <http://www.ips-dc.org/wp-content/uploads/2017/08/EE17-final-embargoed-for-August-30.pdf>

⁴⁵ Good Jobs First – Subsidy Tracker, General Electric, accessed Dec. 2017; online: <https://subsidytracker.goodjobsfirst.org/prog.php?parent=general-electric>

⁴⁶ Project on Government Oversight, Federal Contractor Misconduct Database – General Electric, accessed Dec. 2017; online:

<https://www.contractormisconduct.org/contractors/27/general-electric> Note that violations did not necessarily occur the year the penalty was applied.

⁴⁷ Project on Government Oversight, Contracts to General Electric (FY2008-2015); online:

https://www.fedspending.org/fpds/fpds.php?combDuns=001367960&sortp=u&detail=-1&datatype=T&reptype=r&database=fpds&fiscal_year=&submit=GO

⁴⁸ Institute for Policy Studies, “Corporate Tax Cuts Boost CEO Pay, Not Jobs,” Aug. 30, 2017; online: <http://www.ips-dc.org/wp-content/uploads/2017/08/EE17-final-embargoed-for-August-30.pdf>

CORPORATE BOONDOGGLE: IBM – INTERNATIONAL BUSINESS MACHINES

Total in Corporate Welfare & Government Hand-Outs: \$24.3 Billion

Subsidies, Tax Credits, and Grants: \$1,592,898,379 ⁴⁹

Loans and Bailouts: \$5,400,000 ⁵⁰

Federal Contracts: \$22,715,420,478 ⁵¹

Additional IBM Tax Cut in Republican Tax Bill: \$13.9 Billion

Profits Kept in Tax Havens: \$71,400,000,000 ⁵²

Taxes Owed at Current 35% Tax Rate: \$24,990,000,000

Taxes Owed under Republican Bill's 15.5% Tax Rate: \$11,067,000,000

Potential Savings: \$13,923,000,000

FLASHBACK to 2004: IBM Repatriated Billions & Fired Thousands of Employees

In 2004, IBM brought money from tax havens into the US and instead of creating jobs and investing in the economy, within three years the corporation fired thousands and gave its executives a huge raise. ⁵³

Brought Back: \$9,500,000,000

Employees Fired: 12,830

Executive Raise: \$7,000,000

FLASHBACK, 2008-2016: IBM Continued To Lose Employees

IBM's workforce decreased another 12,969 ⁵⁴

Average Effective Tax Rate: 7.5% ⁵⁵

IBM's 2015 Tax Rate: -5.5% ⁵⁶

⁴⁹ Good Jobs First, Subsidy Tracker: IBM – State/Local Awards: 1996-present, Federal Awards: 2000-present; online: <https://subsidytracker.goodjobsfirst.org/prog.php?parent=ibm-corp>

⁵⁰ *Ibid.*

⁵¹ Project on Government Oversight, Contracts to IBM (FY2000-2015), online:

https://www.fedspending.org/fpds/fpds.php?combDuns=001368083&sortp=f&detail=-1&datatype=T&reptype=r&database=fpds&fiscal_year=&submit=GO

⁵² Institute on Taxation and Economic Policy, "Offshore Shell Games 2017," October 2017; online: <https://itep.org/offshoreshellgames2017/>

⁵³ US Senate Permanent Subcommittee on Investigations, "Repatriating Offshore Funds: 2004 Tax Windfall for Select Multinationals," Oct. 11, 2011

⁵⁴ Institute for Policy Studies, "Corporate Tax Cuts Boost CEO Pay, Not Jobs," Aug. 30, 2017; online: <http://www.ips-dc.org/wp-content/uploads/2017/08/EE17-final-embargoed-for-August-30.pdf>

⁵⁵ Institute on Taxation and Economic Policy, "The 35 Percent Corporate Tax Myth: Corporate Tax Avoidance by Fortune 500 Companies, 2008 to 2015," March 2017; online: <https://itep.org/wp-content/uploads/35percentfullreport.pdf>

⁵⁶ *Ibid.*

CORPORATE BOONDOGGLE: JOHNSON & JOHNSON

Total in Corporate Welfare & Government Hand-Outs: \$1.6 Billion

Subsidies, Tax Credits, and Grants: \$83,613,496 ⁵⁷

Federal Contracts: \$1,537,740,360 ⁵⁸

Additional Johnson & Johnson Tax Cut in Republican Tax Bill: \$12.9 Billion

Profits Kept in Tax Havens: \$66,200,000,000 ⁵⁹

Taxes Owed at Current 35% Tax Rate: \$23,170,000,000

Taxes Owed under Republican Bill's 15.5% Tax Rate: \$10,261,000,000

Potential Savings: \$12,909,000,000

FLASHBACK to 2004: Johnson & Johnson Repatriated Billions & Fired Thousands of Workers

Johnson & Johnson brought money from tax havens into the US and instead of creating jobs and investing in the economy, within three years the corporation fired thousands and more than doubled compensation for executives. ⁶⁰

Brought Back: \$10,668,700,798

Employees Fired: 4,062

Executive Raise: \$32,815,666

FLASHBACK to 2010: Johnson & Johnson Invested More Than 75% of Offshore Funds in the US

Johnson & Johnson reported holding \$37 billion in offshore tax havens. A Senate investigation revealed it had invested between 76% and 100% of the amount back into US assets. ⁶¹

⁵⁷ Good Jobs First, Subsidy Tracker: Johnson & Johnson – State/Local Awards: 2000-present, Federal Awards: 2000-present; online:

<https://subsidytracker.goodjobsfirst.org/prog.php?parent=johnson-and-johnson>

⁵⁸ Project on Government Oversight, Contracts to Johnson & Johnson (FY2000-2015), online:

https://www.fedspending.org/fpds/fpds.php?combDuns=001307081&sortp=f&detail=-1&datatype=T&reptype=r&database=fpds&fiscal_year=&submit=GO

⁵⁹ Institute on Taxation and Economic Policy, “Offshore Shell Games 2017,” October 2017; online: <https://itep.org/offshoreshellgames2017/>

⁶⁰ US Senate Permanent Subcommittee on Investigations, “Repatriating Offshore Funds: 2004 Tax Windfall for Select Multinationals,” Oct. 11, 2011

⁶¹ US Senate Permanent Subcommittee on Investigations, “Offshore Funds Located Onshore,” Dec. 14, 2011; online:

<https://www.hsgac.senate.gov/subcommittees/investigations/media/new-data-show-corporate-offshore-funds-not-trapped-abroad-nearly-half-of-so-called-offshore-funds-already-in-the-united-states>

CORPORATE BOONDOGGLE: MERCK

Total in Corporate Welfare & Government Hand-Outs: \$13.3 Billion

Subsidies, Tax Credits, and Grants: \$136,444,517 ⁶²

Loans and Bailouts: \$5,000,000 ⁶³

Federal Contracts: \$13,186,781,091 ⁶⁴

Additional Merck Tax Cut in Republican Tax Bill: \$12.3 Billion

Profits Kept in Tax Havens: \$63,100,000,000 ⁶⁵

Taxes Owed at Current 35% Tax Rate: \$22,085,000,000

Taxes Owed under Republican Bill's 15.5% Tax Rate: \$9,780,500,000

Potential Savings: \$12,304,500,000

FLASHBACK to 2004: Merck Repatriated Billions, Fired Thousands, & Gave Millions of Dollars to Executives

Merck brought money from tax havens into the US and instead of creating jobs and investing in the economy, within three years the corporation fired thousands and gave its executives a huge raise. ⁶⁶

Brought Back: \$15,875,761,191

Employees Fired: 1,000

Executive Raise: \$20,347,549

⁶² Good Jobs First, Subsidy Tracker: Merck – State/Local Awards: 1999-present, Federal Awards: 2000-present; online: <https://subsidytracker.goodjobsfirst.org/prog.php?parent=merck>

⁶³ *Ibid.*

⁶⁴ Project on Government Oversight, Contracts to Merck & Co., Inc. (FY2000-2015), online:

https://www.fedspending.org/fpds/fpds.php?combDuns=054554290&sortp=f&detail=-1&datatype=T&reptype=r&database=fpds&fiscal_year=&submit=GO

⁶⁵ Institute on Taxation and Economic Policy, “Offshore Shell Games 2017,” October 2017; online: <https://itep.org/offshoreshellgames2017/>

⁶⁶ US Senate Permanent Subcommittee on Investigations, “Repatriating Offshore Funds: 2004 Tax Windfall for Select Multinationals,” Oct. 11, 2011

CORPORATE BOONDOGGLE: GOOGLE / ALPHABET, INC.

Total in Corporate Welfare & Government Hand-Outs: \$829 Million

Subsidies, Tax Credits, and Grants: \$765,048,215 ⁶⁷

Loans and Bailouts: \$63,964,000 ⁶⁸

Federal Contracts: \$705,812 ⁶⁹

Additional Google Tax Cut in Republican Tax Bill: \$11.8 Billion

Profits Kept in Tax Havens: \$60,700,000,000 ⁷⁰

Taxes Owed at Current 35% Tax Rate: \$21,245,000,000

Taxes Owed under Republican Bill's 15.5% Tax Rate: \$9,408,500,000

Potential Savings: \$11,836,500,000

Google Keeps Offshore Profits in Undisclosed Tax Havens

In 2009, Google (now Alphabet, Inc.) reported 25 subsidiaries in tax havens and by 2010, reported two. Most recently, the corporation reported just one in Ireland. While it may appear that all subsidiaries were consolidated into one, a 2012 analysis revealed otherwise.

“Despite no longer publicly disclosing them, all of the newly unlisted tax haven subsidiaries were still operating. Since 2009, Google has increased the amount of earnings it reported offshore from \$12.3 billion to \$60.7 billion. This combination of ending disclosures for tax haven subsidiaries and simultaneously increasing reported offshore earnings allows the corporation to create an illusion of being a legitimate international business while still being able to book profits to low- or no-tax countries.”⁷¹

FLASHBACK to 2010: Google Invested More Than 75% of Offshore Money in US Assets

Google held \$18 billion in offshore tax havens. A Senate investigation found that between 76% and 100% of those funds were invested in US assets.⁷²

⁶⁷ Good Jobs First, Subsidy Tracker: Alphabet Inc. (Google) – State/Local Awards: 2000-present, Federal Awards: 2000-present; online: <https://subsidytracker.goodjobsfirst.org/prog.php?parent=alphabet-inc>

⁶⁸ *Ibid.*

⁶⁹ Project on Government Oversight, Contracts to Google (FY2000-2015), online:

https://www.fedspending.org/fpds/fpds.php?combDuns=060902413&sortp=f&detail=-1&datatype=T&reptype=r&database=fpds&fiscal_year=&submit=GO

⁷⁰ Institute on Taxation and Economic Policy, “Offshore Shell Games 2017,” October 2017; online: <https://itep.org/offshoreshellgames2017/>

⁷¹ *Ibid.*

⁷² US Senate Permanent Subcommittee on Investigations, “Offshore Funds Located Onshore,” Dec. 14, 2011; online:

<https://www.hsgac.senate.gov/subcommittees/investigations/media/new-data-show-corporate-offshore-funds-not-trapped-abroad-nearly-half-of-so-called-offshore-funds-already-in-the-united-states>

CORPORATE BOONDOGGLE: EXXON MOBIL

Total in Corporate Welfare & Government Hand-Outs: \$14.9 Billion

Subsidies, Tax Credits, and Grants: \$951,979,264 ⁷³

Loans and Bailouts: \$3,853,988,000 ⁷⁴

Federal Contracts: \$10,160,671,800 ⁷⁵

Additional Exxon Mobil Tax Cut in Republican Tax Bill: \$10.5 Billion

Profits Kept in Tax Havens: \$54,000,000,000 ⁷⁶

Taxes Owed at Current 35% Tax Rate: \$18,900,000,000

Taxes Owed under Republican Bill's 15.5% Tax Rate: \$8,370,000,000

Potential Savings: \$10,530,000,000

Great Return on Political Investment

Over the past 30 years, Exxon Mobil has contributed \$16,845,751 to Republicans—86% of all its political donations. ⁷⁷ If the Senate bill is passed into law, Exxon Mobil will have an \$11 billion return on its \$16.8 million investment.

FLASHBACK, 2008-2015: Exxon Mobil Paid Less Than 14% in Taxes on Over \$60 Billion Profit & Slashed Almost 38,000 Jobs⁷⁸

Profits: \$60,482,000,000

Effective Tax Rate: 13.6%

Taxes Paid: \$8,227,000,000

Employees Cut from Workforce: 37,735

⁷³ Good Jobs First, Subsidy Tracker: Exxon Mobil – State/Local Awards: 1983-present, Federal Awards: 2000-present; online: <https://subsidytracker.goodjobsfirst.org/prog.php?parent=exxon-mobil>

⁷⁴ *Ibid.*

⁷⁵ Project on Government Oversight, Contracts to Exxon Mobil (FY2000-2015), online: https://www.fedspending.org/fpds/fpds.php?company_name=exxon+mobil&sortp=r&detail=0&datatype=T&reptype=r&database=fpds&fiscal_year=&submit=GO

⁷⁶ Institute on Taxation and Economic Policy, “Offshore Shell Games 2017,” October 2017; online: <https://itep.org/offshoreshellgames2017/>

⁷⁷ Center for Responsive Politics, Exxon Mobil Summary; online: <https://www.opensecrets.org/orgs/totals.php?id=D000000129&cycle=2016>

⁷⁸ Institute for Policy Studies, “Corporate Tax Cuts Boost CEO Pay, Not Jobs,” Aug. 30, 2017; online: <http://www.ips-dc.org/wp-content/uploads/2017/08/EE17-final-embargoed-for-August-30.pdf>

CORPORATE BOONDOGGLE: PROCTER & GAMBLE

Total in Corporate Welfare & Government Hand-Outs: \$3.6 Billion

Subsidies, Tax Credits, and Grants: \$231,891,869 ⁷⁹

Loans and Bailouts: \$1,642,000 ⁸⁰

Federal Contracts: \$3,388,179,979 ⁸¹

Additional Procter & Gamble Tax Cut in Republican Tax Bill: \$9.5 Billion

Profits Kept in Tax Havens: \$49,000,000,000 ⁸²

Taxes Owed at Current 35% Tax Rate: \$17,150,000,000

Taxes Owed under Republican Bill's 15.5% Tax Rate: \$7,595,000,000

Potential Savings: \$9,555,000,000

Great Return on Political Investment

Over the past 30 years, Procter & Gamble has contributed \$3,682,275 to Republicans—63% of all its political donations. ⁸³ If the Senate bill is passed into law, Procter & Gamble will have a \$10 billion return on its \$3.7 million investment.

⁷⁹ Good Jobs First, Subsidy Tracker: Procter & Gamble – State/Local Awards: 2000-present, Federal Awards: 2000-present; online: <https://subsidytracker.goodjobsfirst.org/prog.php?parent=procter-and-gamble>

⁸⁰ *Ibid.*

⁸¹ Project on Government Oversight, Contracts to Procter & Gamble (FY2000-2015), online:

https://www.fedspending.org/fpds/fpds.php?combDuns=001316827&sortp=f&detail=-1&datatype=T&reptype=r&database=fpds&fiscal_year=&submit=GO

⁸² Institute on Taxation and Economic Policy, “Offshore Shell Games 2017,” October 2017; online: <https://itep.org/offshoreshellgames2017/>

⁸³ Center for Responsive Politics, Procter & Gamble Summary; online: <https://www.opensecrets.org/orgs/totals.php?id=D000000485&cycle=2016>

CORPORATE BOONDOGGLE: CITIGROUP

Total in Corporate Welfare & Government Hand-Outs: \$2.8 Trillion

Subsidies, Tax Credits, and Grants: \$504,762,028 ⁸⁴

Loans and Bailouts*: \$2,768,128,950,140 ⁸⁵

**Does not include repayments.*

Federal Contracts: \$1,205,060,874 ⁸⁶

Additional Citigroup Tax Cut in Republican Tax Bill: \$9.2 Billion

Profits Kept in Tax Havens: \$47,000,000,000 ⁸⁷

Taxes Owed at Current Tax Rate: \$13,160,000,000
(35% - 7% reportedly paid offshore⁸⁸)

Taxes Owed under Republican Bill's Tax Rate: \$3,995,000,000
(15.5% - 7%)

Potential Savings: \$9,165,000,000

⁸⁴ Good Jobs First, Subsidy Tracker: Citigroup – State/Local Awards: 1989-present, Federal Awards: 2000-present; online: <https://subsidytracker.goodjobsfirst.org/prog.php?parent=citigroup>

⁸⁵ *Ibid.*

⁸⁶ Project on Government Oversight, Contracts to Citigroup (FY2000-2015), online:

https://www.fedspending.org/fpds/fpds.php?combDuns=197329691&sortp=f&detail=-1&datatype=T&reptype=r&database=fpds&fiscal_year=&submit=GO

⁸⁷ Institute on Taxation and Economic Policy, “Offshore Shell Games 2017,” October 2017; online: <https://itep.org/offshoreshellgames2017/>

⁸⁸ *Ibid.* Citigroup claims to pay 7% tax rate on offshore profits. The US gives corporations a credit for taxes paid overseas, so Citigroup's corporate tax rate is a minimum of 3.3% lower than the US tax rate.

CORPORATE BOONDOGGLE: CHEVRON

Total in Corporate Welfare & Government Hand-Outs: \$5 Billion

Subsidies, Tax Credits, and Grants: \$114,842,636 ⁸⁹

Loans and Bailouts: \$2,074,752,000 ⁹⁰

Federal Contracts: \$2,958,279,539 ⁹¹

Additional Chevron Tax Cut in Republican Tax Bill: \$9 Billion

Profits Kept in Tax Havens: \$46,400,000,000 ⁹²

Taxes Owed at Current 35% Tax Rate: \$16,240,000,000

Taxes Owed under Republican Bill's 15.5% Tax Rate: \$7,192,000,000

Potential Savings: \$9,048,000,000

Great Return on Political Investment

Over the past 30 years, Chevron has contributed \$12,779,874 to Republicans—more than three times the amount given to Democrats. ⁹³ If the Senate bill is passed into law, Pfizer will have a \$9.5 billion return on its \$12.8 million investment.

Chevron Had ZERO Effective Tax Rate In 2016

Forbes reported Chevron's 2016 sales as \$110 billion and income taxes at -\$1.7 billion with no effective tax rate. ⁹⁴

⁸⁹ Good Jobs First, Subsidy Tracker: Chevron – State/Local Awards: 1984-present, Federal Awards: 2000-present; online:

<https://subsidytracker.goodjobsfirst.org/prog.php?parent=chevron>

⁹⁰ *Ibid.*

⁹¹ Project on Government Oversight, Contracts to Chevron (FY2000-2015), online:

https://www.fedspending.org/fpds/fpds.php?combDuns=001382555&sortp=f&detail=-1&datype=T&reptype=r&database=fpds&fiscal_year=&submit=GO

⁹² Institute on Taxation and Economic Policy, "Offshore Shell Games 2017," October 2017; online: <https://itep.org/offshoreshellgames2017/>

⁹³ Center for Responsive Politics, Chevron Summary; online: <https://www.opensecrets.org/orgs/totals.php?id=D000000015&cycle=2016>

⁹⁴ Forbes, "What America's Biggest Companies Pay in Taxes: Chevron (slide 19)," Apr. 18, 2017; online:

<https://www.forbes.com/pictures/58f3a0924bbe6f1aff45eac0/chevron---17-billion/#35da797d7cb7>

CORPORATE BOONDOGGLE: GOLDMAN SACHS

Total in Corporate Welfare & Government Hand-Outs: \$950 Billion

Subsidies, Tax Credits, and Grants: \$796,696,599 ⁹⁵

Loans and Bailouts*: \$949,588,226,455 ⁹⁶

**Does not include repayments.*

Federal Contracts: \$27,290,388 ⁹⁷

Additional Goldman Sachs Tax Cut in Republican Tax Bill: \$6.1 Billion

Profits Kept in Tax Havens: \$31,240,000,000 ⁹⁸

Taxes Owed at Current Tax Rate: \$6,248,000,000
(35% - 15% reportedly paid offshore)

Taxes Owed under Republican Bill's Tax Rate: \$156,200,000 ⁹⁹
(15.5% - 15%)

Potential Savings: \$6,091,800,000

⁹⁵ Good Jobs First, Subsidy Tracker: Goldman Sachs – State/Local Awards: 1997-present, Federal Awards: 2000-present; online: <https://subsidytracker.goodjobsfirst.org/prog.php?parent=goldman-sachs>

⁹⁶ *Ibid.*

⁹⁷ Project on Government Oversight, Contracts to Goldman Sachs (FY2000-2015); online:

https://www.fedspending.org/fpds/fpds.php?combDuns=059164314&sortp=f&detail=-1&datatype=T&reptype=r&database=fpds&fiscal_year=&submit=GO

⁹⁸ Institute on Taxation and Economic Policy, “Offshore Shell Games 2017,” October 2017; online: <https://itep.org/offshoreshellgames2017/>

⁹⁹ *Ibid.* Because Goldman Sachs claims to pay a higher tax rate on overseas funds than the Republicans’ proposed tax rate, Goldman Sachs would have a negative tax rate and stands to retain the entire amount it is hiding in tax havens.

CORPORATE BOONDOGGLE: ELI LILLY

Total in Corporate Welfare & Government Hand-Outs: \$286.8 Million

Subsidies, Tax Credits, and Grants: \$285,170,437 ¹⁰⁰

Federal Contracts: \$1,675,354 ¹⁰¹

Additional Eli Lilly Tax Cut in Republicans' Tax Bill: \$5.5 Billion

Profits Kept in Tax Havens: \$28,000,000,000 ¹⁰²

Taxes Owed at Current 35% Tax Rate: \$9,800,000,000

Taxes Owed under Republican Bill's 15.5% Tax Rate: \$4,340,000,000

Potential Savings: \$5,460,000,000

FLASHBACK to 2004: Eli Lilly Repatriated Billions But Fired Workers Instead of Creating Jobs

Eli Lilly brought money from tax havens into the US and instead of creating jobs and investing in the economy, within three years the corporation fired hundreds and gave its executives a huge raise. ¹⁰³

Brought Back: \$8,000,000,000

Employees Fired: 1,827

Executive Raise: \$726,621

Great Return on Political Investment

Over the past 30 years, Eli Lilly has contributed \$9,764,311 to Republicans—67% of all its political donations. ¹⁰⁴ If the Senate bill is passed into law, Pfizer will have a \$5.5 billion return on its \$9.8 million investment.

¹⁰⁰ Good Jobs First, Subsidy Tracker: Eli Lilly – State/Local Awards: 1999-present, Federal Awards: 2000-present; online: <https://subsidytracker.goodjobsfirst.org/prog.php?parent=eli-lilly>

¹⁰¹ Project on Government Oversight, Contracts to Eli Lilly (FY2000-2015); online:

https://www.fedspending.org/fpds/fpds.php?combDuns=006421325&sortp=f&detail=-1&datatype=T&reptype=r&database=fpds&fiscal_year=&submit=GO

¹⁰² Institute on Taxation and Economic Policy, “Offshore Shell Games 2017,” October 2017; online: <https://itep.org/offshoreshellgames2017/>

¹⁰³ US Senate Permanent Subcommittee on Investigations, “Repatriating Offshore Funds: 2004 Tax Windfall for Select Multinationals,” Oct. 11, 2011

¹⁰⁴ Center for Responsive Politics, Eli Lilly & Co. Summary; online: <https://www.opensecrets.org/orgs/totals.php?id=D000000166&cycle=2016>

CORPORATE BOONDOGGLE: WALMART

Total in Corporate Welfare & Government Hand-Outs: \$207 Million

Subsidies, Tax Credits, and Grants: \$205,340,844 ¹⁰⁵

Federal Contracts: \$1,571,459 ¹⁰⁶

Additional Walmart Tax Cut in Republican Tax Bill: \$5.2 Billion

Profits Kept in Tax Havens: \$26,600,000,000 ¹⁰⁷

Taxes Owed at Current 35% Tax Rate: \$9,310,000,000

Taxes Owed under Republican Bill's 15.5% Tax Rate: \$4,123,000,000

Potential Savings: \$5,187,000,000

Walmart Claims it Earns Billions In a Country With No Stores

Walmart does not report the number of subsidiaries it holds in tax havens. Americans for Tax Fairness found that Walmart has 22 subsidiaries in Luxembourg. Despite not operating one store in the country, Walmart reported \$1.3 billion in Luxembourg profits from 2010 through 2013 on which it paid less than 1% in taxes. Since 2011, more than \$45 billion of Walmart assets have moved to assets in Luxembourg.¹⁰⁸ As of 2015, Walmart reported holding \$64.2 billion in Luxembourg.¹⁰⁹

Great Return on Political Investment

Over the past 30 years, Walmart has contributed \$12,894,979 to Republicans—63% of all its political donations.¹¹⁰ If the Senate bill is passed into law, Walmart will have a \$5.2 billion return on its \$12.9 million investment.

¹⁰⁵ Good Jobs First, Subsidy Tracker: Wal-Mart Stores – State/Local Awards: 1992-present, Federal Awards: 2000-present; online: <https://subsidytracker.goodjobsfirst.org/prog.php?parent=wal-mart-stores>

¹⁰⁶ Project on Government Oversight, Contracts to Wal-Mart Stores (FY2000-2015); online:

https://www.fedspending.org/fpds/fpds.php?combDuns=051957769&sortp=f&detail=-1&datatype=T&reptype=r&database=fpds&fiscal_year=&submit=GO

¹⁰⁷ Institute on Taxation and Economic Policy, “Offshore Shell Games 2017,” October 2017; online: <https://itep.org/offshoreshellgames2017/>

¹⁰⁸ Americans for Tax Fairness, “The Walmart Web,” June 2015; online: <https://americansfortaxfairness.org/issues/corporate-tax-dodgers/the-walmart-web/>

¹⁰⁹ *Ibid.*

¹¹⁰ Center for Responsive Politics, Wal-Mart Stores Summary; online: <https://www.opensecrets.org/orgs/totals.php?id=D000000367&cycle=2016>