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U.S. House to Vote on Huge Tax Break Benefitting Some Corporations That Pay Only Half the Statutory Tax Rate on Average

House to Pass Another Corporate Tax Giveaway that Isn't Paid for, While Hypocritically Demanding All New Spending Benefitting Average Americans be Paid for with Spending Cuts

Washington, D.C. – Ahead of the vote in the U.S. House of Representatives to permanently extend the Research and Development (R&D) Tax Credit without paying for it, [Americans for Tax Fairness](#) released data showing that many highly profitable companies that are members of the [R&D Credit Coalition](#), which leads lobbying efforts in support of the tax break, paid on average just an 18.3 percent effective corporate income tax rate over a recent five-year period. That's about half the statutory rate of 35 percent. Some of the companies paid little in federal income taxes or even got tax refunds.

“After passing a budget that guts benefits and services for working Americans and voting to give the wealthiest 0.2% of estates a \$269 billion tax cut by repealing the estate tax, the House is now poised to pass a deficit-busting tax giveaway that is high on the corporate wish list,” said Frank Clemente, executive director of Americans for Tax Fairness. **“Whatever one thinks about the value of the R&D Tax Credit, there should be no disagreement that it should be paid for by closing other corporate tax loopholes. While Congressional leaders demand that any new spending benefitting the American people be paid for with cuts elsewhere in the budget, they hypocritically apply different rules to corporate tax breaks: every dollar handed out to corporations in tax cuts is a dollar that's added to the deficit. This further rigs the system in favor of corporations, and the American people are left to pick up the tab.”**

The 15 major corporations highlighted in the table below are members of the [R&D Credit Coalition](#), a group of 61 firms and trade associations. Some of the companies had tax rates well below the 18.3 percent average from 2008 to 2012; two companies, Boeing and Corning, had negative tax rates of -1.0 percent and -0.3 percent respectively, meaning they received tax refunds over the five-year period.

The list is comprised only of those R&D Credit Coalition companies that are in the report [“The Sorry State of Corporate Taxes”](#) issued by the watchdog group Citizens for Tax Justice. The report looks at the profits and U.S. federal income taxes of 288 Fortune 500 companies that were consistently profitable in each of the five years between 2008 and 2012.

**Effective Federal Corporate Income Tax Rates of Some
Major Corporations in the R&D Credit Coalition**

	2008-2012		
	Profit (\$ Millions)	Tax (\$ Millions)	Tax Rate
3M Company	12,589.9	2,813.1	22.3%
Ball Corporation	1,403.3	272.6	19.4%
Boeing Company	20,473.0	-202.1	-1.0%
Corning Incorporated	3,438.0	-10.0	-0.3%
DuPont	3,631.0	446.0	12.3%
Eli Lilly and Company	10,036.8	1,482.5	14.8%
Exxon Mobil Corporation	41,371.9	5,806.9	14.0%
Harley-Davidson, Inc.	3,278.6	916.7	28.0%
Honeywell International	6,976.0	526.0	7.5%
Intel Corporation	47,848.2	12,944.2	27.1%
Lockheed Martin Corporation	20,922.0	3,839.6	18.4%
Oracle USA, Inc.	26,017.3	7,087.3	27.2%
Rockwell Collins, Inc.	3,992.1	727.1	18.2%
Texas Instruments Incorporated	8,978.1	2,885.1	32.1%
United Technologies Corporation	13,738.5	1,497.5	10.9%
TOTAL/AVERAGE	\$224,694.7	\$41,032.5	18.3%

Sources:

R&D Credit Coalition Members

http://investinamericasfuture.org/member_companies.html

Citizens for Tax Justice, The Sorry State of Corporate Taxes

<http://www.ctj.org/corporatetaxdodgers/sorrystateofcorptaxes.pdf>

Americans for Tax Fairness is a diverse coalition of 425 national and state endorsing organizations that collectively represent tens of millions of members. The organization was formed on the belief that the country needs comprehensive, progressive tax reform that results in greater revenue to meet our growing needs. ATF is playing a central role in Washington and in the states on federal tax-reform issues.

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