



MESSAGING ON CORPORATE INVERSIONS AND WALGREENS

July 21, 2014

What Is a Corporate Inversion?

This tax loophole allows a U.S. corporation to renounce its corporate “citizenship” and move its address offshore by merging with a foreign company. The merged corporation then pays most of its taxes to a foreign government – usually a tax haven – with a low tax rate. This allows it to dodge paying its fair share of U.S. taxes. The process, known as an “inversion,” takes place primarily on paper as most corporate operations remain here.

General Message Points

- These corporations are **unpatriotic**. They are **deserters** that are renouncing their U.S. “citizenship.” They are **abandoning** or **rejecting** America. They are **Benedict Arnold corporations** that are **traitors** to their country. They **betray** us. They **turn their backs** on our country. They **choose a tax haven over the United States**. They **swear allegiance to a foreign power**. They are literally **un-American**.
- Corporations invert to **avoid paying their fair share in taxes**. They **duck, dodge, shirk** and **renege on** their responsibilities. They **cheat** the system. They **refuse** to pay their fair share.
- These corporations are leaving American taxpayers to **pick up the tab**. They **stick us with the bill**. They **pass on the cost** to the rest of us. As a result, American families pay higher taxes, get fewer services or we all get a bigger deficit.
- These corporations take advantage of a gaping **loophole** that Congress needs to close. They use **accounting gimmicks** and **legal maneuvers** to **move their corporate address offshore**. This is a **sham** that takes place **primarily on paper**. It can easily be closed if Congress stands up to the corporate lobbyists that have rigged the system in Washington and tells them we represent the American people first and corporate tax dodgers last.
- Corporations that invert **want all the benefits** and **privileges** of being a U.S. company. They want to take advantage of our educated workforce, legal system, patent law, financial markets, transportation system, and federally-funded research – **without paying for that right**. They still want lucrative government contracts. They want to make huge profits selling products to millions of American consumers even after they abandon America.
- Congress must **close tax loopholes** like this that help corporations to **shift profits and jobs offshore**. Congress needs to **level the playing field** so that big corporations have to **play by the same rules** as Main Street businesses that are doing their part.

- Because of tax loopholes like this, some large, profitable corporations **pay absolutely nothing** in federal income taxes – 26 corporations paid no U.S. income taxes from 2008 to 2012. Giant corporations like General Electric, Boeing and Verizon made billions and got tax refunds. **They paid less** in federal income taxes over five years **than a typical American family paid in one year**. They paid less in federal taxes than **they spent on lobbyists** to further **game the tax system** in their favor.
- We should end tax breaks for corporations that **ship jobs and profits offshore**. It's time to invest in America and create jobs here.
- These **selfish** corporations **know no country**, they **feel no patriotism**, and they **have no allegiance** to America – just to the **almighty dollar**.

Walgreens Message Points

- Walgreens will decide as soon as August **whether or not it will desert America** and become a foreign corporation. It is in the process of buying a company in Switzerland – a tax haven. Once that happens, Walgreens can **renounce** its U.S. corporate “citizenship” and change its address to the tax haven.
- We must stop Walgreens from becoming another **Benedict Arnold corporation** – a traitor to America. If Walgreens inverts, it will not leave America, it will just **abandon** paying most of its taxes to America. It will become a foreign company in order to **dodge** \$4 billion in taxes over the next five years, according to a report from Americans for Tax Fairness.
- A quarter of Walgreens \$72 billion in revenue is paid by the government – and U.S. taxpayers – through the Medicare and Medicaid programs. By **shirking its obligations**, Walgreens is trying to reap even more profits while leaving taxpayers to **pick up the tab**.
- Even with its new offshore address, Walgreens would still **benefit from all the services U.S. taxes pay for**—from roads to education to stable markets to our legal system to national defense. But it would pay far less for that privilege, leaving American taxpayers to make up the difference.
- If a giant retail pharmacy chain with 8,200 stores and locations in all 50 states deserts America, there will be nothing stopping other corporations from moving offshore to a tax haven. It will start a stampede by other **unpatriotic companies** that are **traitors to America**.