



MESSAGING ON CORPORATE INVERSIONS AND WALGREENS

July 18, 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

- Corporations that renounce their U.S. “citizenship” and shift their address offshore want all the benefits of being an American company without paying their fair share of taxes. That makes the rest of us pick up the tab. Families pay higher taxes, get fewer services or we all get a bigger deficit.
- It is unpatriotic for a corporation to abandon America by shifting its address to a tax haven in order to dodge paying its taxes.
- Corporations that shift their address offshore get all the benefits of operating here without paying their fair share. They get our educated workforce, legal and transportation systems, and federally-funded research. They can still get government contracts and sell products to millions of American consumers. But they will pay far less than their fair share for these services and benefits, passing on the cost to American taxpayers and to other companies.
- 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, [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.
- We should end tax breaks for corporations that ship jobs and profits offshore. It’s time to invest in America and create jobs here.

Walgreens Message Points

- Walgreens will decide as soon as August whether or not it will remain an American 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.

- Walgreens 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 turns its back on America, there will be nothing stopping other corporations from moving offshore to a tax haven. It will start a stampede by Benedict Arnold companies that are traitors to America.
- These selfish corporations know no country, they feel no patriotism, and they have no allegiance to America – just to the almighty dollar.