



CORPORATIONS SHOULD PAY WHAT THEY OWE – \$600 BILLION – ON \$2.1 TRILLION IN OFFSHORE PROFITS

- 1. U.S. corporations have \$2.1 trillion in untaxed profits offshore.** These profits have increased nearly five-fold over 10 years – from \$434 billion in 2005 to \$2.1 trillion today – in anticipation of a tax holiday.
- 2. Just 50 companies hold 75% of the \$2.1 trillion in untaxed offshore profits.** Ten companies hold 36% of these profits.
- 3. Just two industries – high-tech and pharmaceutical/healthcare – hold half the \$2.1 trillion in untaxed offshore profits.**
- 4. 55% of the \$2.1 trillion in U.S. corporate offshore profits are in tax-haven countries.** Corporations are paying just a 3% to 6.5% tax rate on the profits in tax havens.
- 5. Corporations owe up to \$600 billion in U.S. taxes on these offshore profits.** They have paid between 6% and 10% in taxes to foreign governments on the \$2.1 trillion in offshore profits. That means they owe between 29% and 25% in U.S. taxes, based on a 35% tax rate (less reductions for foreign taxes paid). [Credit Suisse](#) and [Citizens for Tax Justice](#) estimate that corporations owe between \$533 billion and \$600 billion, respectively, on those profits.
- 6. President Obama would give corporations a tax cut worth nearly \$400 billion on the \$2.1 trillion in offshore profits.** Republicans propose an even bigger tax break. Obama proposes taxing these current offshore profits at a 14% rate (less credits for foreign taxes paid), which would raise \$217 billion. That's nearly \$400 billion *less* than the \$600 billion they owe – a 60% tax cut for the worst tax dodgers.
- 7. Big tax-dodging corporations would get huge tax breaks under Obama's plan.** Apple would get a tax break of \$31 billion, Microsoft \$18 billion and Citigroup \$7 billion.
- 8. Corporate profits are way up, and corporate taxes are way down.** In 1952, corporate profits and taxes were both about 5.6% of the economy (GDP). Today, corporate profits are 9.8% of the economy and corporate taxes are just 1.9% of GDP.
- 9. Many U.S. corporate offshore profits are not “trapped” overseas.** Companies can invest these untaxed profits in any U.S. firm, deposit them in any U.S. bank or use them to purchase any government security as long as it is not directly invested in the U.S. parent. A [Congressional study](#) found that 46% of the offshore profits of 27 companies were invested in America in 2010.
- 10. Corporations used to contribute \$1 out of every \$3 in federal revenue. Today it's \$1 out of every \$10.** They are more profitable than almost ever and can afford to pay the \$600 billion they owe.
- 11. The U.S. Treasury loses about \$90 billion a year in revenue due to the deferral of taxes on offshore profits.** That's the biggest corporate tax loophole there is.

For a Chartbook of all of these facts and for more detail [go here](#).