

# AMERICANS FOR TAX FAIRNESS

## REPORT: WALMART'S EXECUTIVE BONUSES COST TAXPAYERS MILLIONS

Released June 2014

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## **Blog: How Walmart's Bosses Get Rich off Welfare Abuse -- The Huffington Post**

By Carl Gibson, Co-Founder of US Uncut, July 30, 2014

.... Out of all of its revenues, food stamps accounted for \$13.5 billion in sales for Walmart just last year. Walmart is using their soaring profits to give "performance-based" pay raises to executives, and using the performance pay loophole in the US tax code to dodge their federal tax obligations. The [Institute for Policy Studies](#) learned that taxpayers have had to pay for \$104 million in the last six years (beginning at roughly the same time as the recession) for Walmart's performance-based pay bonuses that topped out just short of \$300 million. This would be enough in tax dollars to pay for 33,000 impoverished children's free/reduced school lunches over the same time period.....

....As [Americans for Tax Fairness](#) (ATF) discovered, the annual \$7.8 billion that Walmart leeches off of US taxpayers could instead be used to hire 105,131 teachers. In Alice Walton's home state of Texas, \$813 million could fund hiring 12,000 more teachers. Walmart chairman Rob Walton could see to it that the company pays employees fairly, saving taxpayers in his home state of Arizona \$176 million. That alone could hire 2,500 more teachers in Arizona's schools. Page 10 of the [ATF report](#) lists how much each state would gain in new tax dollars for public education if Walmart and the Walton family weaned themselves off of government welfare programs.....

## **Blog: New Study: Walmart Scammed American Taxpayers for \$104 Million by Giving Executives Obscene Bonuses -- Alternet**

By Lynn Stuart Parramore, June 3, 2014

....According to a new report by the [Institute for Policy Studies](#) (IPS) and [Americans for Tax Fairness](#) (ATF) Walmart managed to finagle \$104 million in taxpayer subsidies over a six-year period due to tax deductions for "performance-based" executive compensation. Eight top executives were able to rake in more than \$298 million in "performance pay" that was fully tax deductible.....

## **Your Tax Dollars Pay for Walmart Execs' Bonuses -- The Fiscal Times**

By Yuval Rosenberg, June 4, 2014

From 2009 to 2014, Walmart awarded Michael Duke, its CEO until late last year, nearly \$116 million in so-called performance pay — exercised stock options and other compensation that carried an added benefit: It was fully tax deductible, meaning the company got an added \$40 million in federal tax breaks, according to a new report from tax-reform advocates at [Americans for Tax Fairness](#) and the left-leaning [Institute for Policy Studies](#).....

"When Walmart gets a \$104 million tax break for giving its executives outrageous pay packages, the rest of us pick up the tab," [Frank Clemente](#), executive director at [Americans for Tax Fairness](#), said in a statement. "With this tax loophole, the bigger the executive bonuses the less Walmart pays in taxes. This is truly one of the most perverse loopholes of all time."

That so-called loophole has been the target of tax reform proposals from both Democrats and Republicans. Closing it would generate more than \$50 billion in tax revenue over 10 years, according to estimates from the Joint Committee on Taxation cited by the [Americans for Tax Fairness](#) report.....

### **Walmart Slashed Tax Bill By Giving Top Execs Big Bonuses -- Forbes**

By Kelly Erb, June 4, 2014

The largest private employer in the U.S. continues to exploit tax breaks to reward its executives, according to the [Institute for Policy Studies](#) (IPS), a D.C. based think tank which has researched executive compensation, and [Americans for Tax Fairness](#) (ATF), a tax reform coalition. That finding was published in a report released today, [Walmart's Executive Bonuses Cost Taxpayers Millions](#), focusing on the retail giant's tax strategy.

[Frank Clemente](#), executive director at ATF calls it "truly one of the most perverse loopholes of all time" noting that "the bigger the executive bonuses the less Walmart pays in taxes...."

### **Walmart Tax Cut Report Drops this Morning -- Politico's Morning Tax**

By Mackenzie Weinger, June 4, 2014

[Americans for Tax Fairness](#) & [Institute for Policy Studies](#) are set to come out with a joint report today on extremely large tax deductions at Walmart for incentive-based pay. Look for it at 11 a.m.

### **Walmart Continues to Exploit Tax Breaks to Reward Executives -- AccountingWEB**

By Jason Bramwell, June 4, 2014

Walmart continues to exploit tax breaks to reward its executives, according to the [Institute for Policy Studies](#), a DC-based think tank that has researched executive compensation, and [Americans for Tax Fairness](#) (ATF), a tax reform coalition. That finding was published in a report released today, [Walmart's Executive Bonuses Cost Taxpayers Millions](#), focusing on the retail giant's tax strategy, Forbes tax contributor Kelly Philips Erb wrote today.....

### **How Your Tax Dollars Subsidize Walmart Executives' Paychecks -- The Huffington Post**

By Jillian Berman, June 4, 2014

....Over the past six years, Walmart has cut its tax bill by \$104 million thanks to a loophole in the corporate tax code that lets companies deduct the cost of performance-based pay for executives. That's according to a report released Wednesday by [Americans for Tax Fairness](#) and the [Institute for Policy Studies](#), a think tank opposed to "concentrated wealth" and "corporate influence."....

## **'Walmart moms' walk off the job in protest at pay and conditions -- *The Guardian***

By Sarah Jaffee, June 4, 2014

.....A report published on Wednesday raised a separate issue over Walmart and tax, in terms of a loophole the study said had given the company a tax break of \$104m, enough to cover the cost of free lunches for 33,000 schoolchildren.

In its report, the [Institute for Policy Studies](#) and lobby group [Americans for Tax Fairness](#) calculated that between 2009 and 2014, the top eight Walmart executives took home more than \$298m in “performance pay” that was fully tax deductible.....

## **Wal-Mart attacked for big tax breaks – *Fortune***

By Benjamin Snyder, June 4, 2014

Wal-Mart, one of the nation’s largest, most-profitable companies, has received \$104 million in tax breaks for giving its executives huge bonuses, according to a report released on Wednesday.

The retail giant received tax write-offs for doling out \$298 million in performance pay to executives over the last six years, according to the report’s authors, the [Institute for Policy Studies](#), a Washington think tank, and [Americans for Tax Fairness](#), a coalition of 400 national and state organizations for tax reform. Such loopholes ultimately cost regular taxpayers dearly in terms of government service and higher tax rates, the groups said.

[Frank Clemente](#), the executive director at [Americans for Tax Fairness](#), called the tax break “outrageous” and added that it’s “truly one of the most perverse loopholes of all time.” Sarah Anderson, the global economy director at [Institute for Policy Studies](#), said that the \$104 million “would have been enough, for example, to cover the cost of providing free lunches for \$33,000 children....”

## **New report focuses on taxpayer subsidies for Walmart executives -- *The Arkansas Times***

By Max Brantley, June 4, 2014

Another report for Walmart shareholders' week, this one from the [Americans for Tax Fairness](#). It focuses, not on the wages and working conditions of low-level Walmart employees, but "excessive pay" for executives, subsidized by taxpayers.....

## **Wal-Mart Used Tax Loophole To Save \$104M: Report -- *Law360***

By Matthew Villmer, June 4, 2014

Wal-Mart Stores Inc. has used a performance-based executive compensation tax loophole to fleece the government out of almost \$104 million over a six-year time period, according to a joint report released Wednesday by two fiscal watchdog groups.

The [Americans for Tax Fairness](#) and [Institute for Policy Studies](#) report found that Wal-Mart's high-dollar tax savings was made possible by a loophole in U.S. tax law that allows companies to deduct unlimited amounts for performance-based compensation.....

## **Blog: You Pay Taxes? Guess Who Doesn't -- *Down with Tyranny***

By Howie Klein, June 4, 2014

Tuesday we were looking at the [nexus of democracy-destroying avarice and the outsourcing of public services to private companies](#). I saw [a report](#) from our friends from [Americans for Tax Fairness](#) that reveals how WalMart was able to get around \$104 million in taxes by handing out lavish "performance-based bonuses to top executives. How's that for a sound use of tax payer money? That's a government subsidy for the very richest-- combined with social interest loopholes that big corporations pay politicians to insert in appropriations bills. A full \$40 million was clipped off their tax bill because of an outrageous bonus to recently retired CEO Michael Duke, who pocketed \$116 million in stock options and other performance-based compensation. From [Americans for Tax Fairness](#)....

## **TV: 'Walmart moms' walk off job in protest -- *PressTV***

....The strikes followed a new report by the [Institute for Policy Studies](#) and lobby group [Americans for Tax Fairness](#) that showed between 2009 and 2014 eight top Walmart executives received \$298 million dollars in "performance pay" that was fully tax deductible. The report found a tax loophole had given Walmart a tax break of \$104 million.....

### **TV: How taxpayers subsidized Walmart execs' pay – CBS News**

By Aimee Picchi, June 5, 2014

While many of Walmart's (WMT) workers rely on food stamps and other government aid to make ends meet, its top eight executives are living better, thanks in part to \$298 million in tax-deductible "performance pay" during the past six years.

That's according to a new report from the left-leaning [Institute for Policy Studies](#) (IPS), which found that Walmart lowered its federal tax bills by \$104 million because of the "performance pay" loophole. Of course, Walmart isn't alone in benefiting from that loophole, which was created in 1993 as a way to allow corporations to take tax deductions for "performance-based pay....."

### **Blog: Taxpayers Have Spent \$104 Million Propping Up Walmart Executives' Bonuses Since 2009 – ThinkProgress**

By Alan Pyke, June 5, 2014

Since 2009, Walmart has ducked \$104 million in taxes by exploiting a tax loophole around bonus payments to just eight top executives, according to a new report from the [Institute for Policy Studies](#) (IPS) and [Americans for Tax Fairness](#) (ATF).....

### **Blog: The Walmart heirs should save Detroit – Daily Kos**

By Jon Perr, June 8, 2014

Walmart has had a very bad week. On Thursday, the New York Times reported that at least eight senior executives have left the company since an investigation was launched to probe allegations of massive bribery in Mexico and other foreign markets. Already shaken by previous revelations that low-wage workers at the nation's largest employer require \$6.2 billion a year from U.S. taxpayers for food stamps, Medicaid, housing subsidies and other public assistance, Walmart was buffeted by a new report from the [Institute for Policy Studies](#) showing that its top eight executives ducked \$104 million in taxes just since 2009. And adding insult to injury, a new study found that the Walton family heirs who own Walmart have given virtually nothing to their own charity, the Walton Family Foundation....

### **Blog: How Corporations Inflate CEO Pay with Stock Buybacks – And Why It's Bad for the Rest of Us – Moyers & Company**

By Sam Pizzigati, June 9, 2014

Back in 1979, notes a new [Economic Policy Institute](#) report released last week, households in America's statistical middle — the 20 percent of households making more than the nation's poorest 40 percent and less than the nation's most affluent 40 percent — averaged \$16.72, after inflation, per hour worked. In 2012, households in this same statistical middle averaged \$16.26 per hour.....

Over the past six years, report the [Institute for Policy Studies](#) and [Americans for Tax Fairness](#), the “performance pay” subsidy for just eight high-ranking Wal-mart execs has saved the company \$104 million off its corporate tax bill, enough money to cover six years of free school lunches for 33,000 poor kids.....

**TV: Are Your Taxes Paying for CEO Bonuses? (video) – The Thom Hartman Program**

June 5, 2014

Interview with report co-author Sarah Anderson.

**Walmart’s Top-to-Bottom Taxpayer Subsidies – Op-ed syndicated in *Other Words / Common Dreams / San Diego Free Press / Truthout / LaCrosse Tribune***

By [Frank Clemente](#) and Sarah Anderson, June 4, 2014

We're all footing the bill for bonuses the company's executives pocket and food stamps its underpaid workers obtain for survival.

Low-income families weren't the only ones hurt by cuts to food stamps last fall. Top Walmart executives also took a hit.....

A new report we co-authored for the [Institute for Policy Studies](#) and [Americans for Tax Fairness](#) calculates just how much this bonus loophole benefits Walmart. For example, we found that Mike Duke, the big box retailer’s recently retired CEO, pocketed nearly \$116 million in exercised stock options and other “performance pay” between 2009 and 2014. That translates into a taxpayer subsidy for Walmart of more than \$40 million....

**Blog: Walmart Received \$104 Million Taxpayer Subsidy For Executive Pay -- Progress Illinois**

By Ellyn Fortino, June 17, 2014

...The report, co-published by the [Institute for Policy Studies](#) and [Americans for Tax Fairness](#), shows that eight top Walmart executives pulled in more than \$298 million in fully deductible performance-based pay between 2009 and 2014, which comes out to be a total tax break for the company estimated at \$104 million. ....

...Walmart essentially "gamed the system," said [Frank Clemente](#), executive director of [Americans for Tax Fairness](#).

**Fox Offers Free Public Relations For Walmart's Poverty Wages -- Media Matters for America**

By Craig Harrington, June 24, 2014

...According to an April 2014 study by [Americans for Tax Fairness](#), Walmart benefits from roughly \$6.2 billion in annual taxpayer funded subsidies in the form of anti-poverty relief for underpaid



workers. The company avoids nearly \$1 billion in federal taxes each year through tax breaks and loopholes, and the Walton family (worth nearly \$150 billion collectively) reaps over \$600 million in tax savings thanks to lower tax rates on capital gains than standard income. All told, Walmart and the Walton family skim at least \$7.8 billion from the pockets of American taxpayers each year, due in part to the company's persistently low wages.....

### **Retailer's Executive Pay Plan Exploits Tax Break, Study Says – Bloomberg**

By Michael Trimarchi, March 2, 2015

The retailer, which is the largest private employer in the U.S., saved about \$104 million over the past six years by deducting performance-based compensation paid to eight top executives, said the June 4 report, by a think tank, [Institute for Policy Studies](#), and a national tax advocacy group, [Americans for Tax Fairness](#)....

### **Op-ed: Executive pay loophole is an outrage – by Rep. Lloyd Doggett (D-TX), 6/18/14, syndicated by American Forum in at least 26 papers**

There is an outrage in our tax code and it's costing you money.

Federal law currently gives publicly-held corporations a special tax deduction when they pay their executives huge "performance-based" bonuses. The deduction can be worth millions of dollars. The more they shower their executives with such pay, the less publicly-held corporations pay in federal taxes.....

....Walmart is a good example of how this tax loophole has contributed to out-of-whack executive pay. Between 2009 and 2014, eight top executives were paid a total of \$334 million, of which nearly \$300 million—or 90 percent—was supposedly "performance" pay, according to a report by [Americans for Tax Fairness](#) and the [Institute for Policy Studies](#). The taxpayer subsidy for Walmart's bonuses: more than \$100 million.....

**The Austin American-Statesman** [Austin, TX] [Clip](#)  
**Palm Beach Post** [West Palm Beach, FL] [Clip](#)  
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**Orangeburg Times and Democrat** [Orangeburg, SC] [Clip](#)  
**St. Marys Daily Press** [St. Marys, PA] [Clip](#)  
**New Ulm Journal** [New Ulm, NM] [Clip](#)

**Westerly Sun** [Westerly, RI] [Clip](#)  
**Grand Coulee Star** [Grand Coulee, WA] [Clip](#)  
**St. Cloud Times** [St. Cloud, MN] [Clip](#)  
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**Caribbean Life** [Brooklyn, NY] [Clip](#)  
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