Bank of America

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CORPORATE TAX DODGER

Bank of America has capitalized on massive taxpayer bailouts and various tax-dodging strategies to remain the largest U.S. bank.

- **Bank of America reported $17.2 billion in accumulated offshore profits in 2012. It would owe $4.3 billion in U.S. taxes if these funds were brought back to the U.S.**
- **Bank of America avoids federal income taxes by running its business through more than 300 offshore tax-haven subsidiaries.**
- **Bank of America paid $2.7 billion to settle abusive lending charges last year. It saved more than $1 billion on its 2012 tax bill by deducting the costs of those settlements.**
- **Bank of America has reduced its tax liability to zero, by deducting the same losses that taxpayers already bailed them out of once before.**
- **Bank of America's CEO plays a leading role in coalitions that want to cut corporate taxes, cut Social Security and raise the retirement age from 67 to 70. His $9 million company retirement account will provide him with a $50,571 monthly retirement check – forty times the amount a typical senior gets from Social Security.**

BANK OF AMERICA AVOIDS U.S. TAXES BY STASHING PROFITS IN OFFSHORE TAX HAVENS

Bank of America reported $17.2 billion in accumulated offshore profits in 2012, according to its Security and Exchange Commission (SEC) filing. The company reported that it would owe $4.3 billion in U.S. taxes if these funds were brought back to this country. This indicates that Bank of America has paid just 10% in tax to foreign governments on these offshore earnings, which means most of those offshore profits are U.S. profits shifted to tax havens.

Of Bank of America's 594 foreign subsidiaries, 313 are registered in offshore tax havens, including 175 in the Cayman Islands. Tax havens often impose little or no income taxes, and as long as the profits are held offshore Bank of America avoids U.S. taxes. There are 161 corporations registered in the Cayman Islands per hundred citizens, one of the highest ratios of any country on earth. Only the United Kingdom has more investment by U.S. corporations than the Cayman Islands.

ABUSIVE LENDING PRACTICES CUT THE TAX BILL

Late last year Bank of America reached a settlement with Fannie Mae over abusive lending practices that led to the loss of hundreds of thousands of families' homes. The settlement reduced Bank of America's 2012 earnings by $2.7 billion, But since settlements pertaining to corporate malfeasance are tax-deductible, Bank of America saved hundreds of millions of dollars on its 2012 tax bill. Many of the same families harmed by Bank of America's lending practices are now forced to pick up a share of the taxes the bank avoided.

BAILED OUT TWICE, ONCE DIRECTLY, A SECOND TIME WITH TAX LOOPHOLES FOR LOSSES

Bank of America received $45 billion in TARP loans in 2008 to keep the giant bank in business. It also received tens of billions of dollars in virtually zero-interest loans daily from a secret lending program operated by the Federal Reserve between 2007 and 2010, loans that the bank used to generate $1.5 billion in income at taxpayers' expense, according to Bloomberg.

Bank of America was bailed out a second time when it was allowed to keep the losses generated by its financial near-collapse and use them to reduce its future taxes, effectively forcing taxpayers to subsidize its business failures. Over the last three years, Bank of America has written off more than $69 billion in bad loans Because of these losses the bank paid no net federal income tax between 2010 and 2012, according to its SEC filings, and instead claimed $941 million in refunds from the IRS.

BANK OF AMERICA'S JOB DESTRUCTION HAS HURT THE ECONOMY

Bank of America has been slashing jobs for the last decade. More than 20,000 of these job cuts have occurred in the last two years. The majority of Bank of America's employees are in the United States, but it does not report data on the number of employees who work here.

BANK OF AMERICA WANTS TO "FIX THE DEBT" BY CUTTING SOCIAL SECURITY

Bank of America's CEO Brian Moynihan is a member of the CEO Council of Fix the Debt, a lobbying effort of more than 100 CEOs aimed at cutting earned benefit programs like Social Security in order to pay for corporate tax cuts. A top priority is to create a "territorial tax system" that would allow corporate profits stashed offshore to be forever U.S. tax-free, thereby encouraging the shipment of profits and jobs overseas. Moynihan is also a member of the Business Roundtable, which wants Congress to cut corporate taxes and to raise the Social Security retirement age from 67 to 70 – a benefit cut of about 20%.

Moynihan was paid $12.1 million in 2012, a 73% pay raise over the previous year. And he doesn't need to rely on Social Security since his Bank of America corporate retirement account was worth $8.9 million at the end of 2011. If this amount was converted into an

Methodology: Sources for corporate income taxes, employment and executive compensation are explained here.
http://www.americansfortaxfairness.org/tradingcards/