



2016 ANNUAL REPORT

January 12, 2017

Note: the activities described below were conducted by Americans for Tax Fairness, a 501c3 project of New Venture Fund, unless otherwise noted. Any lobbying activities described below were within the lobbying limits of ATF and the New Venture Fund.

I. SUMMARY OF 2016 ACTIVITIES AND ACCOMPLISHMENTS

A. National Campaign Infrastructure

- ATF provided strategic direction, coordination and staffing to the coalition and managed regular meetings of the Steering Committee, Legislative Committee and Research and Policy Committee.
- ATF and its sister organization ATF Action Fund have a budget of about \$843,000 this fiscal year with a revenue target of about \$896,000. 501c3 expenses are projected at \$643,000 and 501c4 expenses are about \$200,000.
- ATF has raised about \$835,000, or about 93%, of projected revenue as of Dec. 31, 2016—three months before the end of the fiscal year.
 - \$664,000 has been raised in 501c3 funding, primarily from the Ford Foundation (\$250,000), Bauman Foundation (\$100,000), Stoneman Family Foundation (\$100,000) and an Anonymous Foundation (\$100,000).
 - \$242,000 has been raised in 501c4 funding from Open Society Policy Center (\$150,000) and from three unions (\$90,000).
 - \$67,000 has been raised through the email program, including \$40,000 for the c3 and nearly \$27,000 for the c4. The total raised is 186% more than the \$36,000 that was projected.
 - ATF has just four full-time staff (executive director, communications director, digital director and an administrator/research assistant). We also have a half-time senior writer/researcher consultant, a quarter-time email consultant, and limited assistance from a media placement firm.

B. Influence on Policy & Legislative Activities

Programmatically, it was an unusual year because there was little action in Congress; there was a fair bit of action in the executive branch, as the Obama administration promulgated rules to close loopholes or increase corporate tax transparency; and taxes got a fair bit of attention in the 2016 election campaign because Donald Trump touted his tax reform plan and he failed to release his tax returns. ATF did the following policy advocacy, public education and communications work in 2016:

1. Trump and Ryan Tax Plans

Since the election, ATF has swung into action to build a campaign to aggressively oppose Donald Trump's and Speaker Paul Ryan's tax plans. We have spent time developing strategy, reaching out to partners to assess levels of engagement, preparing materials to educate the public about these harmful tax plans (and in the case of Trump a plan for building infrastructure that relies on very costly tax credits for developers), developing messaging materials and using social media extensively to build awareness of their tax plans. ATF has prepared seven education materials for the effort, from basic fact sheets to talking points, and quite a few shareable images for social media. A few samples:

- [Six worst features of Donald Trump's Tax Plan](#), 11/17/2016
- [Seven Worst Features of Paul Ryan's Tax Plan](#), 11/17/2016
- [Comparing the Trump & Ryan Tax Plans](#), 11/28/2016
- [ATF Talking Points on the Trump Tax Plan](#), 12/15/2016
- [ATF Talking Points on the Trump Infrastructure Plan](#), 12/15/16

2. **Corporate Tax Reform.** At the beginning of 2016, it was anticipated that a lot of activity in Washington would focus on "setting the table" for what was expected to be a major fight in 2017. Part of that table setting was for lawmakers to figure out how broad the scope of corporate tax reform would be: the taxation of all corporations; more narrowly focused on international tax issues; the inclusion of pass-through entities, which are businesses in which the owner pays taxes at the individual tax rate rather than the corporate tax rate; and other issues.

ATF's work focused in three areas:

- a. **Getting coalition agreement on a set of corporate tax reform principles that we would build support for.** The principles that guided our work:
- Corporations need to pay their fair share of taxes so we have the resources to create an economy that works for all Americans.
 - Corporations should pay the \$700 billion they owe on \$2.5 trillion in offshore profits.
 - Our tax system should not encourage corporations to shift jobs and profits offshore.
- b. **Developing a core set of Senate champions to support our corporate tax reform principles.** The purpose was to build a counterweight to less favorable proposals that we expected would be put forward by an incoming President Hillary Clinton and an incoming Senate Majority Leader Chuck Schumer. After several months of work, ATF secured the support of Sen. Bernie Sanders and Sen. Elizabeth Warren to lead the fight for our principles. They developed a set of principles that closely tracked our own. Together, we planned to launch a public campaign, named Offshore Tax Dodgers: Pay What You Owe, shortly after the November election. Activities included securing 10 to 15 senators in support

of the principles; holding a kick-off event in the Senate; conducting a national tele-town hall; collecting at least 500,000 petition signatures to deliver to the White House by February 2017; getting at least 500 national and state groups on a letter of support; ramping up a field operation in 10 states; and conducting robust earned media and social media programs.

- c. Developing a set of research, policy and public education materials to make the case for our principles, with a special focus on international corporate tax issues.** Four education resources were developed prior to the expected November launch. Most notable was the [Corporate Tax Chartbook: How Corporations Rig the Rules to Dodge the Taxes They Owe](#), [PDF version] by ATF and the Economic Policy Institute. Numerous other pieces were developed but held for release until 2017, as part of our public education effort against the tax plans from President Trump and House Speaker Ryan.
- 3. Stopping Corporate Inversions and the Pfizer-Allergan Merger.** In 2016, this work was focused on executive branch regulations not legislation. This was important for three reasons: to urge the Treasury Department to undertake rulemakings to close tax loopholes; to urge it to take the strongest and most progressive position in its rulemaking, using the public comment period; and to build a record of public support in the rulemaking docket so that the rule can better withstand legal challenges by opponents.

 - a. Ending the Pfizer Tax Dodge.** ATF successfully urged the Obama Administration to promulgate an inversion rule that targeted “serial inverters,” which resulted in the pharmaceutical giant Pfizer ending its planned inversion with Allergan, an Irish company. The inversion would have allowed Pfizer to dodge up to \$35 billion in U.S. taxes it owes on its offshore profits—a key finding of a groundbreaking ATF report ([Pfizer: Price Gouger Tax Dodger](#)) released in February. It garnered more than 120 news stories. Among other things, ATF organized a high-level meeting with the Treasury Department, assisted about a dozen groups to prepare letters, organized Netroots groups to collect about 220,000 petitions to the White House, and delivered about 30,000 comments in favor of the proposed rule to the IRS. The rule was finalized in October, which means it could be subject to efforts to overturn it by Congress under the Congressional Review Act. Moreover, the Chamber of Commerce has challenged the serial inverter rule in federal court. That could take years to resolve, assuming the Trump Administration is willing to defend it, which seems unlikely.
 - b. Earnings Stripping Rule.** ATF also worked hard in support of this proposed and then final rule, which is also designed to take away key tax benefits of an inversion. Earnings stripping occurs when the foreign parent of an American subsidiary loads down that subsidiary with unnecessary internal loans, creating tax-deductible interest payments, which reduces the amount owed on U.S. profits. This also has the effect of moving profits out of the United States, often

to tax havens, where they are taxed little or not at all. This tax-dodging technique is frequently used in—and, indeed, is often the principal goal of—corporate inversions. But it is not only used with corporate inversions because the U.S. company becomes a subsidiary of a foreign parent for tax purposes. The rule was projected to save at least \$10 billion by discouraging inversions. The rule was finalized in October, and like the serial inverter rule, Congress may try to overturn it under the Congressional Review Act.

- 4. Rx Drug Companies: Price Gougers, Tax Dodgers.** ATF's Pfizer work was so successful that we decided to develop a public education project connecting drug company price gouging with drug company tax dodging to better help the public understand why corporate tax dodging matters. ATF issued the groundbreaking report [Gilead Sciences: Price Gouger, Tax Dodger](#) in July 2016. It found that Gilead, the sixth most valuable pharmaceutical company in the world, raked in tens of billions of dollars between 2013 and 2015 in profits from exorbitantly priced hepatitis C medications that were developed with taxpayer dollars, and then shifted those profits to offshore tax havens to dodge U.S. taxes. By 2015, the company had nearly \$29 billion in offshore profits on which it paid no taxes to any government—it owes the federal government about \$10 billion. The report generated [81 media stories and mentions](#), including an op-ed by Sen. Bernie Sanders that was syndicated and published in 50 newspapers. Our work was noticed by the Open Society Foundations, which recently provided a \$25,000 grant to do more in 2017.
- 5. Work on Other Obama Administration Regulatory Proposals.** Besides corporate inversions work, ATF supported several other executive actions in 2016 that were relatively successful.

 - a. IRS Estate and Gift Taxes Valuation Discount Rule.** With the strong support of the Institute for Policy Studies Program on Inequality, ATF led public interest community efforts to support a rule proposed by the IRS to close an estate and gifts tax loophole known as the “valuation discount.” The revenue loss is as much as \$18 billion over 10 years—more than enough to help end family homelessness by helping 550,000 homeless families with children pay for housing over the next 10 years (\$11 billion), and help a million young people get their first job through partnerships with businesses and communities (\$3.5 billion). ATF provided testimony to the IRS in support of its proposed rule, organized a sign-on letter from 45 organizations and got 19,000 of our online activists to submit comments to the IRS. It is not clear whether this rule will survive the change of Administration since it is not yet finalized, and therefore could be blocked at the IRS.
 - b. IRS Country-by-Country Reporting.** In late June 2016, the Treasury Department and the IRS released a [final regulation](#) requiring larger multinational corporations to report on a country-by-country (CBC) basis information that is critical for the IRS to better track where U.S. corporations are booking their profits offshore and

how much they are paying in taxes. This information is a key building block for enabling the government to better track profit shifting and tax avoidance. The final regulations are modeled on the Organisation for Economic Co-operation and Development (OECD) recommendations for CBC reporting. ATF submitted a letter to the IRS and gave testimony at a hearing. ATF had a unique contribution to make because we had issued four groundbreaking reports in the previous year that showed how challenging it was to track the offshore profits generated and taxes paid on those profits by Walmart, Pfizer and Gilead Sciences. It is not clear whether this rule will survive the change of Administration. Since it was not finalized until late June, it could be rescinded through a Congressional Review Act vote by Congress.

- c. Securities and Exchange Commission and FASB Offshore Subsidiary Corporate Disclosure Requirements.** In 2016, the SEC undertook a two-stage process to update a wide range of disclosure requirements by publicly-held corporations. In the first stage during the summer, the SEC had solicited public comments about whether it should require corporations to disclose all subsidiaries, and to require disclosure each year on a country-by-country basis of those subsidiaries' revenues, profits, income tax paid, effective tax rate, accumulated profits, and number of employees. In the second stage, even before this earlier comment period closed, the SEC issued a draft rule changing a broad-range of corporate reporting requirements that also asked the public: "Are there additional income tax disclosures that would be useful to investors?" ATF, working with the FACT Coalition, which led public-interest efforts on this issue, decided to make the case in this rulemaking that country-by-country disclosure of offshore subsidiaries' revenues, profits and taxes paid was critical. ATF submitted two letters, organized a 21-group sign-on letter, and got more than 34,000 comments submitted from our online activists. Given the change of Administration and a new regime at the SEC, it is very uncertain whether the agency will adopt any of our community's recommendations.
- 6. Party Platforms and the Presidential Transition.** In July, ATF was invited to testify at the platform hearing of the Democratic National Committee. We urged in testimony and through conversations with the staff of the Clinton and Sanders campaigns and with platform committee members for the adoption of a strong progressive position on tax issues. We succeeded, as the most progressive party platform ever was adopted. Here is [ATF's oral testimony](#).

ATF devoted considerable time to preparing for the presidential transition. We convened a working group that focused in four areas:

- Identifying 12 experts to serve on a Treasury Department agency review team.
- Preparing a [seven-page memo](#) explaining the importance of pursuing a progressive tax policy to achieve a fairer and more effective tax system and to secure the revenue needed to accomplish critical investments in people and infrastructure.

- Developing a set of tax reform policy priorities for a new Administration to pursue with Congress and a set of executive actions a new Administration could take to close tax loopholes should its agenda be stymied by Congress.

C. Communications

ATF continued to expand its communications capacity in 2016, setting the framing and messaging on tax issues for progressives, rapidly responding to events, garnering considerable earned media coverage, and developing a significant digital media capacity in coordination with allied Netroots groups. Our activities included:

1. **Messaging.** ATF continued to play a leading role in shaping messaging around federal tax reform issues. We move a message continually through press releases, e-mail program, social media posts and by identifying and disseminating winning framing and talking points to policymakers, coalition partners and allies in the media so that we are all singing from the same songbook.
2. **Media Coverage.** ATF secured [420 media hits](#) in 2016, an average of 35 a month. (A four-page [2016 media highlights](#) is also available.) Included are:
 - At least 209 news stories: 131 national and 78 state.
 - Placement of at least 197 op-eds in newspapers around the country, including 18 original op-eds in national and state publications. Those were syndicated 179 times in newspapers across the country.
3. **Digital Program.** The digital program had considerable reach and growth in 2016.
 - **Website:** ATF launched a new mobile friendly website in May.
 - **E-mail Program:**
 - **E-mail list:** It grew by 54%, from 135,422 to 216,015 subscribers.
 - **Online Actions:** Activists took half a million email actions—signing petitions, sending letters to Congress and sending comments to federal agencies supporting rules that would close tax loopholes or increase disclosure.
 - **Online Fundraising:** Totaled \$67,000 for the year, 186% more than the \$36,000 budgeted. We do not have full-year comparables between 2015 and 2016 because there was little email fundraising prior to October 2015, when we contracted with a consultant. Email fundraising in the last three months of 2016 was 350% higher than it was in the same period in 2015—\$33,000 vs. \$7,400.
 - **Coalition work:** ATF deepened its collaborations with allies with large email lists, coordinating six joint actions that resulted in 1.4 million total action takers. Our partners included the AFL-CIO, AFSCME, American Federation of Teachers, Campaign for America’s Future, CREDO Action, Daily Kos, Democracy for America, People’s Action, People for the America Way and the Other 98%, among others.

4. Social Media

- **Facebook:** ATF's Facebook followers grew by 89% in 2016, from 11,000 to nearly 21,000. Our Facebook posts were seen nearly 11 million times and there were more than 351,000 engagements (likes, comments and shares).
- **Twitter:** ATF's Twitter followers grew by 30%, from about 2,500 to 3,300. Our tweets are seen an average of 1.7 million times; they were retweeted or commented on 23,000 times. One tweet about Mylan and its price gouging on EpiPens was seen by 30 million.

D. Research & Policy Work

- ATF produced more than 30 significant research and policy products in 2016—two major reports, an online chartbook with the Economic Policy Institute, 12 fact sheets, 12 letters to Congress and executive agencies and four testimonies to federal agencies and to the platform committees of the Democratic and Republican parties.
- ATF's two groundbreaking reports and chartbook were:
 - [Pfizer: Price Gouger Tax Dodger](#) garnered more than 120 news stories.
 - [Gilead Sciences: Price Gouger, Tax Dodger](#) garnered more than 80 media hits.
 - [Corporate Tax Chartbook: How Corporations Rig the Rules to Dodge the Taxes They Owe](#), by ATF and the Economic Policy Institute.

II. INFLUENCE ON TAX POLICY

2016 was an unusual year with respect to federal tax work. Three overarching trends influenced our program:

- There was very little Congressional action on tax issues, as with a wide range of other issues. Instead, it was considered a year to set the table for a major battle over corporate tax reform in 2017, once a new president took office.
- There was a lot of action on taxes in the executive branch, as the Obama Administration proceeded with regulatory initiatives on corporate inversions, the estate tax and country-by-country reporting by multinational corporations.
- Major tax reform plans proposed by both Hillary Clinton and Donald Trump and the demand for Donald Trump to release his tax returns played a fairly prominent role in the 2016 presidential campaign, which provided opportunities to educate and engage the public.

Within its lobbying limits, ATF undertook the following program in 2016:

- **Coordinated ATF's Legislative Committee:** ATF staff coordinate a Legislative Committee that is made up of about 15 organizations that lobby and hold regular strategy calls to share intelligence, discuss strategy, and take lobbying assignments.

- **Coalition Lobbying Efforts:** ATF’s executive director served as the coalition’s lead lobbyist, attending Hill meetings with coalition partners and drafting letters to Congress and executive agencies that are approved by coalition partners.
- **Testimony and Letters:** ATF testified twice on executive branch regulatory initiatives at the U.S. Treasury Department/IRS. We also prepared 12 written comments and letters (often signed by scores of coalition partners) to Congress and executive agencies.

Below are the tax policy debates and activities that ATF engaged in during 2016.

A. Trump and Ryan Tax Plans

Since the election, ATF has swung into action to build a campaign to aggressively oppose the Trump and Ryan tax plans. We have spent time developing strategy, reaching out to partners to assess levels of engagement, preparing materials to educate the public about these harmful tax plans (and in the case of Trump a plan for building infrastructure that relies on very costly tax credits for developers), developing messaging materials and using social media extensively to build awareness of their tax plans. Below are seven education and communications materials ATF has produced:

- [Paul Ryan’s Tax Blueprint Will Probably Look a Lot Like Donald Trump’s Tax Plan— And Neither Serves the American People](#), 6/23/2016
- [Six worst features of Donald Trump’s Tax Plan](#), 11/17/2016
- [Seven Worst Features of Paul Ryan’s Tax Plan](#), 11/17/2016
- [Comparing the Trump & Ryan Tax Plans](#), 11/28/2016
- [Trump Tax Plan Would Let Tech Industry Permanently Dodge Hundreds of Billions in U.S. Taxes](#), 12/14/2016
- [ATF Talking Points on the Trump Tax Plan](#), 12/15/2016
- [ATF Talking Points on the Trump Infrastructure Plan](#), 12/15/16

B. Corporate Tax Reform

At the beginning of 2016, it was anticipated that a lot of activity in Washington would focus on “setting the table” for what was expected to be a major fight in 2017. Part of that table setting was for lawmakers to figure out how broad the scope of corporate tax reform would be: the taxation of all corporations; more narrowly focused on international tax issues; the inclusion of pass-through entities, which are businesses in which the owner pays taxes at the individual tax rate rather than the corporate tax rate; and other issues.

ATF’s work focused in three areas:

1. **Getting coalition agreement on a set of corporate tax reform principles that we would build support for.** The principles that guided our work:
 - **Corporations need to pay their fair share of taxes so we have the resources to create an economy that works for all Americans.** Therefore, corporate tax reform, which may include large pass-through businesses, must raise significant new revenue over the long term to pay for services and investments that benefit

our communities and families. “Revenue neutral” reform that closes loopholes to pay for lower tax rates is not acceptable.

- **Corporations should pay the \$700 billion they owe on \$2.5 trillion in offshore profits.** There is no economic rationale for a lower tax rate on past profits. These profits were earned with an expectation that the maximum U.S. tax rate would be 35%. On average, corporations have paid just a 6% tax rate on these offshore profits, because most of them are stashed in offshore tax havens. That means corporations owe a 29% tax rate here at home.
- **Our tax system should not encourage corporations to shift jobs and profits offshore.** Offshore profits should not be taxed at a lower rate than domestic profits because it creates an incentive for corporations to move production offshore as well as disguise domestic profits as foreign. It also gives multinational corporations an unfair advantage over the small businesses and domestic companies with which they compete. A tax loophole called “deferral” allows corporations to indefinitely avoid paying U.S. taxes on their offshore profits. It loses \$125 billion a year in revenue and should be repealed.

2. **Developing a core set of Senate champions to support our corporate tax reform principles.** The purpose was to build a counterweight to less favorable proposals that we expected would be put forward by an incoming President Hillary Clinton and an incoming Senate Majority Leader Chuck Schumer.

After several months of work, ATF secured the support of Sen. Bernie Sanders and Sen. Elizabeth Warren to lead the fight for our principles. They developed a set of principles that closely tracked ATF’s principles. Together, we planned to launch a public campaign, named Offshore Tax Dodgers: Pay What You Owe, shortly after the November election. Activities included securing 10 to 15 senators in support of the principles; holding a kick-off event in the Senate; conducting a national tele-town hall; collecting at least 500,000 petition signatures to deliver to the White House by February 2017; getting at least 500 national and state groups on a letter of support; ramping up a field operation in 10 key states; and conducting robust earned media and social media programs.

3. **Developing a set of research, policy and public education materials to make the case for our principles, with a special focus on international corporate tax issues.** The four education resources below were developed prior to the expected November launch, and numerous other pieces were developed but held for release until 2017 as part of our major public education effort against the tax plans from President Trump and House Speaker Paul Ryan.

- [Corporate Tax Chartbook: How Corporations Rig the Rules to Dodge the Taxes They Owe](#), [PDF version] by ATF and EPI, September 2016. Through 20 charts it provides a strong narrative showing that corporations are not at an international competitive disadvantage when it comes to tax rates, profits, and other measures. It makes the case that the \$2.5 trillion in offshore profits are held by a

small number of giant multinationals, most of the money is derived from profit-shifting and not legitimate business activities offshore, and that corporations should pay the \$700 billion they owe on those profits.

- [Offshore Corporate Tax Dodgers: Pay What You Owe Flyer](#), April 2016
- [International Corporate Tax Reform: Trillions of Dollars for Investments at Stake](#), June 15, 2016
- [ATF Corporate Tax Reform Principles](#), July 2016

C. Stopping Corporate Inversions and the Pfizer-Allergan Merger

ATF spent considerable time educating the public and building support for Obama Administration efforts to promulgate two regulations that would take away the tax benefits U.S. companies get when they undertake a corporate inversion. With an inversion, a firm shifts its corporate address—usually to a tax haven—to get tax-free access to its existing offshore profits and to reduce its tax rate over the longer term. These companies continue to have their headquarters and operations in America; they just don't want to pay for it.

1. **Ending the Pfizer Tax Dodge.** ATF successfully urged the Obama Administration to promulgate an inversion rule that targeted “serial inverters,” which resulted in the pharmaceutical giant Pfizer ending its planned inversion with Allergan, an Irish company. The inversion would have allowed Pfizer to dodge up to \$35 billion in U.S. taxes it owes on its offshore profits—a key finding of a groundbreaking report from ATF ([Pfizer: Price Gouger Tax Dodger](#)) released in February. It garnered more than 120 news stories. (ATF also had done a groundbreaking [report on Pfizer's proposed inversion](#) in November 2015, which earned widespread media attention and helped put our opposition to the inversion on the map.)

ATF pressured the White House and Treasury Department to take action, we got allies in Congress to weigh in (including delivering 272,000 petitions to them urging action), and we waged a media and public education campaign against Pfizer's tax dodging scheme and in favor of action to block it. Headlines of news releases on our Pfizer activities are below:

- [Tax Fairness Coalition Says Obama's Treasury Department Can End Tax Benefits of Pfizer and Johnson Controls Inversions](#), January 27, 2016
- [Senator Brown's Bill Would Make Deserting Corporations Such as Pfizer Pay What They Owe Before They Leave](#), March 9, 2016
- [VIDEO: 272,000 Citizens to Congress: Pass the Stop Corporate Inversions Act!](#), March 17, 2016. This was a petition effort with 18 partners; the petitions were delivered to senior U.S. senators to get them to take action.
- [55 Organizations Urge Treasury Department To Prevent Tax Benefits Of Pfizer, Johnson Controls Inversions](#), March 22, 2016
- [Obama's Treasury Department Can Stop Pfizer's \\$35 Billion Tax Dodge](#), March 23, 2016

- [New Treasury Dept. Anti-Inversion Rule Would Prevent Pfizer’s Estimated \\$35 Billion Tax Break](#), April 5, 2016
- [Termination of Pfizer Inversion is Good News for American Taxpayers](#), April 6, 2016
- [Tax Fairness Coalition Launches Viagra Ad Parody on Pfizer’s Failed Tax Dodging Scheme](#), April 18, 2016
- [ATF Comments to Treasury Department and IRS on Proposed “Serial Inverter” Rule](#), June 10, 2016
- [ATF-Daily Kos Submission of 29,845 Comments to Treasury on “Serial Inverter” Rule](#), June 30, 2016
- [Video of Delivery of ATF Member Comments to the IRS](#), June 30, 2016

ATF also organized letters of support for the rule from members of Congress and a range of organizations including the AFL-CIO, AFSCME, American Federation of Government Employees, American Federation of Teachers, Citizens for Tax Justice, Coalition on Human Needs, Main Street Alliance, Small Business Majority, and 16 tax academics. The letters are [available here](#).

This rule was finalized in October, which means it could be subject to efforts to overturn it by Congress under the Congressional Review Act. The CRA allows simple majorities in both chambers of Congress to rescind a regulation that passed within about 60 legislative days of the end of the previous congressional session, if the president signs the measure into law. Moreover, the Chamber of Commerce has challenged the Pfizer serial inverter rule in federal court, which could take years to resolve, assuming the Trump Administration is willing to defend it, which seems unlikely.

2. **Earnings Stripping Rule.** ATF also worked hard in support of this proposed rule, which is also designed to take away key tax benefits of an inversion. Earnings stripping occurs when the foreign parent of an American subsidiary loads down that subsidiary with unnecessary internal loans, creating tax-deductible interest payments, which reduces the amount owed on U.S. profits. This also has the effect of moving profits out of the United States, often to tax havens, where they are taxed little or not at all. This tax-dodging technique is frequently used in—and, indeed, is often the principal goal of—corporate inversions. But it is not only used with corporate inversions because the U.S. company becomes a subsidiary of a foreign parent for tax purposes. The rule was projected to save at least \$10 billion by discouraging inversions.

The rule was finalized in October, and like the serial inverter rule, Congress may try to overturn it under the Congressional Review Act. ATF’s activities in support of the rule included the following:

- [ATF Comments to U.S. Treasury Department and IRS on Proposed “Earnings Stripping” Rule](#), June 10, 2016
- [ATF-Daily Kos Submission of 29,604 Comments to Treasury on Earnings Stripping Rule](#), June 30, 2016
- [34 Groups Letter to Treasury in Support of Earnings Stripping Rule](#), July 8, 2016
- Organizing letters of support [available here](#) for the rule from members of Congress and a range of organizations including the AFL-CIO, AFSCME, American Federation of Government Employees, American Federation of Teachers, Citizens for Tax Justice, Coalition on Human Needs, Main Street Alliance, Oxfam, Small Business Majority, and 16 tax academics.

D. Rx Drug Companies: Price Gougers, Tax Dodgers

ATF’s Pfizer work was so successful that we decided to develop a public education project connecting drug company price gouging with drug company tax dodging to better help the public understand why corporate tax dodging matters.

Rising drug prices are a hot political issue that garners a lot of media attention, and many multinational drug companies are big tax dodgers. The prescription drug industry ranks number two in the amount of untaxed profits it is holding offshore – 20% of the \$2.5 trillion total – because of its ability to move profits from the U.S. to tax havens by shifting ownership of intellectual property to offshore subsidiaries.

This work allows us to tell a story about corporate tax dodging in a more compelling way. These companies charge consumers and federal health care programs exorbitant prices, have their research subsidized by U.S. taxpayers, benefit from huge government contracts, and then dodge billions in taxes because of offshore tax loopholes.

In addition to the Pfizer work described above, ATF issued the groundbreaking report [Gilead Sciences: Price Gouger, Tax Dodger](#) in July 2016. It found that Gilead, the sixth most valuable pharmaceutical company in the world, raked in tens of billions of dollars between 2013 and 2015 in profits from exorbitantly priced hepatitis C medications that were developed with taxpayer dollars, and then shifted those profits to offshore tax havens to dodge U.S. taxes. By 2015, the company had nearly \$29 billion in offshore profits on which it paid no taxes to any government—it owes the federal government about \$10 billion. The report generated [81 media stories and mentions](#), including an op-ed by Sen. Bernie Sanders that was syndicated and published in 50 newspapers.

ATF’s prescription drug company work will continue in 2017, thanks to a recent \$25,000 grant from Open Society Foundations. ATF will work with the Institute for Taxation and Economic Policy (ITEP) to issue reports and other educational materials. ATF will encourage policymakers to incorporate the “price gouger, tax dodger” theme into their work to combat prescription drug price gouging. We will engage health care groups and organizations with large email lists and social media followings to promote reports and materials we produce. We will also place op-eds in national and state newspapers, and

encourage them to editorialize on this topic as part of the larger corporate tax reform debate.

Other materials ATF produced as part of this effort in 2016 include:

- [ATF Letter to Treasury & IRS Urging Action Against Gilead's Profit Shifting](#), August 10, 2016
- [Mylan, Price Gouging Its EpiPen, Is Also Dodging Its Taxes](#), August 25, 2016

E. Work on Other Obama Administration Regulatory Proposals

Besides work on corporate inversions, ATF supported several other executive actions in 2016 that were relatively successful. Activity in this area is important for three reasons: to urge an executive agency to undertake a rulemaking to close a tax loophole; to urge an agency to take the strongest and most progressive position in its rulemaking, using the public comment period; and to build a record of public support in the rulemaking docket so that the rule can better withstand legal challenges by opponents.

- 1. IRS Estate and Gift Taxes Valuation Discount Rule.** With the strong support of the Institute for Policy Studies Program on Inequality, ATF led public interest community efforts to support a rule proposed by the IRS to close an estate and gifts tax loophole known as the “valuation discount.” The revenue loss is as much as \$18 billion over 10 years—more than enough to help end family homelessness by helping 550,000 homeless families with children pay for housing over the next 10 years (\$11 billion), and help a million young people get their first job through partnerships with businesses and communities (\$3.5 billion).

This loophole enables estate planners to place assets in specially created companies and other entities for the sole purpose of reducing the asset’s value for tax purposes. This technique can discount the value of assets by as much as 40%, artificially reducing the value of an estate below the taxable threshold.

To build the public record of support for the rule, ATF testified in its favor to the IRS (we were the only supporting group among 35 witnesses), organized a sign-on letter supported by 45 groups and secured nearly 19,000 favorable comments from our online members. This was a big show of support for an obscure IRS rule that benefits the wealthy elite.

- [ATF Testimony to IRS on Estate Tax Valuation Discount Rule](#), December 1, 2016
- [45 Groups’ Comments to Treasury Department Supporting Estate Tax Valuation Discount Rule](#), November 2, 2016
- [Comments from 18,930 ATF Members to IRS on Estate Tax Valuation Discount Loophole](#), November 2, 2016

It is not clear whether this rule will survive the change of Administration since it is not yet finalized, and therefore could be blocked at the IRS.

- 2. IRS Country-by-Country Reporting.** In late June 2016, the Treasury Department and the IRS released a [final regulation](#) requiring larger multinational corporations to report on a country-by-country (CBC) basis information that is critical for the IRS to better track where U.S. corporations are booking their profits offshore and how much they are paying in taxes. This information is a key building block for enabling the government to better track profit shifting and tax avoidance. The final regulations are modeled on the Organisation for Economic Co-operation and Development (OECD) recommendations for CBC reporting.

U.S. corporations with at least \$850 million in annual revenue are required to report on:

- Revenues generated from transactions with their offshore subsidiaries and other constituent entities
- Revenues not generated from transactions with other constituent entities
- Profit or loss before income tax
- Total income tax paid on a cash basis to all tax jurisdictions, and any taxes withheld on payments received by the constituent entities

The rule is a partial victory—the IRS gets the data but the information will not be made public.

ATF had a unique contribution to add to this debate because we had issued four groundbreaking reports in the previous year that showed how challenging it was to track the offshore profits generated and taxes paid on those profits by Walmart, Pfizer and Gilead Sciences. Our work in support of this rule included:

- [ATF Country-by-Country Reporting Letter to IRS and Treasury](#), March 22, 2016
- [ATF Country-by-Country Reporting Testimony to IRS](#), May 13, 2016

It is not clear whether this rule will survive the change of Administration. Since it was not finalized until late June, it could be rescinded through a Congressional Review Act vote by Congress.

- 3. Securities and Exchange Commission and FASB Offshore Subsidiary Corporate Disclosure Requirements.** In 2016, the SEC undertook a two-stage process to update a wide range of disclosure requirements by publicly-held corporations. In the first stage during the summer, the SEC had solicited public comments about whether it should require corporations to disclose all subsidiaries, and to require disclosure each year on a country-by-country basis of those subsidiaries' revenues, profits, income tax paid, effective tax rate, accumulated profits, and number of employees.

In the second stage, even before this earlier comment period closed, the SEC issued a draft rule changing a broad-range of corporate reporting requirements that also

asked the public: “Are there additional income tax disclosures that would be useful to investors?”

ATF and the FACT Coalition, which led this effort, decided to make the case in this rulemaking that country-by-country disclosure of offshore subsidiaries’ revenues, profits and taxes paid was critical. ATF had a unique contribution to make to this debate because we had issued four groundbreaking reports in the previous year that showed how challenging it was to track the offshore profits generated and taxes paid on those profits by Walmart, Pfizer and Gilead Sciences.

ATF work in the two phases of SEC rulemakings included:

- [ATF Letter to SEC Supporting Disclosure of Offshore Subsidiaries](#), July 21, 2016
- [21 Groups Letter to SEC Urging Disclosure of Corporate Offshore Subsidiaries](#), July 21, 2016
- [Submission to SEC of 16,302 Comments Supporting Disclosure of Corporate Offshore Subsidiaries](#), July 21, 2016
- [ATF Letter to SEC Regarding Country-by-Country Offshore Subsidiary Disclosure](#), November 2, 2016
- [Comments to SEC from 17,908 ATF Members on Proposed “Disclosure Update and Simplification” Rule](#), November 2, 2016
- [ATF Letter to Financial Accounting Standards Board \(FASB\) on Corporate Income Tax Accounting Standards](#), September 29, 2016.

FASB has its own disclosure rulemaking effort underway that is considering requiring disclosure of the types of information that ATF urged the SEC to require. FASB is a private, non-profit market regulator whose primary purpose is to establish and improve generally accepted accounting principles (GAAP) within the United States. Reporting requirements it adopts are followed by publicly-traded corporations.

Given the change of Administration and a new regime at the SEC, it is very uncertain whether the agency will adopt any of our community’s recommendations. Improving FASB’s disclosure requirements would be an important alternative.

F. Party Platforms and the Presidential Transition

In July, ATF was invited to testify at the platform hearing of the Democratic National Committee. We urged in testimony and through conversations with the staff of the Clinton and Sanders campaigns and with platform committee members for the adoption of a strong progressive position on tax issues. We succeeded, as the most progressive party platform ever was adopted. The following materials were prepared:

- [ATF Oral Testimony to DNC Platform Committee](#), June 9, 2016
- [ATF Testimony to RNC Platform Committee](#), June 13, 2016

- [Policy Positions on Tax Issues in Democratic Party Platforms from 1960-2012](#), June 28, 2016

In October, ATF devoted considerable time to preparing for the presidential transition. We convened a working group that focused efforts in four areas:

- Identifying and proposing 12 experts to serve on a Treasury Department agency review team.
- Preparing a seven-page memo explaining the importance of pursuing a progressive tax policy to achieve a fairer and more effective tax system and to secure the revenue needed to accomplish critical investments in people and infrastructure. It also recommended steps to strengthen appointments since “personnel is policy.”
 - [The Treasury Department and Federal Tax Policy in a New Administration: Principles, Priorities, and Process](#), November 4, 2016
- Developing a set of tax reform policy priorities for a new Administration to pursue with Congress.
- Developing a set of executive actions a new Administration could take to close tax loopholes should its agenda be stymied by Congress.

III. DETAILED EXPLANATION OF COMMUNICATIONS & RESEARCH & POLICY ACTIVITIES

A. Communications Program

ATF engaged in three levels of communications work during 2016: framing and messaging, communications through traditional media, and digital/social media communications.

1. **Polling and Messaging Work:** ATF continued to play a leading role in shaping communications on progressive tax reform issues in 2016. We did this by providing a steady stream of messaging recommendations to allied organizations, policy makers and media talking heads.
 - a. **Polling Compilations:** ATF did not fund a major new poll during 2016, but we continued to compile public research on tax issues:
 - [Post-Election Polling: Public Opposes Tax Cuts for The Wealthy or Corporations](#), 12/16/2016
 - [Post-Election Polls on Taxes](#), 12/20/2016
 - [Compilation of Polling on Tax Fairness Issues](#), 12/22/2016. This is updated on a rolling basis.
 - b. **Messaging Materials:** In 2016, ATF put together eight messaging documents to promote message discipline and to better communicate about new tax debates that cropped up. These were widely distributed to organizational allies,

policymakers, bloggers, and progressive TV talking heads. For instance, we assembled talking points on the Trump and Ryan tax proposals, and talking points to help frame tax issues after the November election. Earlier in the year, ATF put together message guidance on tax and economic issues based on the in-depth research done by Topos and combining it with the lessons of other recent and applicable public opinion research. These materials are linked below:

- [Talking Points About Flint, Michigan, & Federal Taxes](#), 3/6/2016
- [ATF Analysis of the Topos Messaging Research](#), 5/12/2016
- [Talking Points on the Ryan Tax Plan](#), 6/23/2016
- [2016 ATF and Topos Messaging on Taxes and the Economy](#), 6/28/2016
- [Recommended Messaging on Taxes and the Economy](#), 7/11/2016
- [ATF Post-Election Talking Points on Tax Issues](#), 11/28/2016
- [ATF Talking Points on the Trump Tax Plan](#), 12/15/2016
- [ATF Talking Points on the Trump Infrastructure Plan](#), 12/15/16

2. Earned Media Activities to Deliver the Messages and Educate the Public

Despite our small size, ATF runs a robust earned media program through one-third of the executive director's time, a communications director, a half-time contract writer/researcher and a media placement firm (American Forum). During 2016, ATF generated earned media through four tactics:

- Rapid response to events in the presidential campaign, in Congress and in corporate America
- Release and promotion of reports
- Drafting and placement of op-eds
- Outreach to editorial writers and columnists

ATF also supported coalition partners' media efforts by helping with strategy and promotion.

The table below summarizes [420 media hits](#) ATF earned in 2016, an average of 35 a month. A four-page [2016 media highlights](#) is also available.

ATF MEDIA HITS IN 2016									
	News Stories	Original Op-Eds	Syndicated Op-Eds	Editorials*	Columns Original*	Columns Syndicated	Major Blogs	LTE**	TOTAL
National	131	15	1		1		9	1	158
State	78	3	178		1		1	1	262
TOTAL	209	18	179		2		10	2	420

* It is difficult to determine influence with editorial writers and columnists unless ATF is specifically mentioned; we believe ATF's influence exceeds the number of editorials and columns claimed here.

** Many Letters to the Editor (LTEs) do not show up in the online version of newspapers. Many more LTEs have been placed by ATF partners than is recorded here.

- a. **Earned Media: News Stories.** ATF secured 209 news stories on our work or mentions in news stories. Most came from the Pfizer and Gilead Sciences reports and from media focused on the tax debate in Washington.

- b. **Op-ed Placement Program.** ATF believes an important way to influence elite media, policymakers and the public is through the placement of op-eds and letters to the editor, which are read by policymakers and media talking heads. During 2016, ATF drafted and successfully placed the following:
 - 18 original op-eds in national publications, including *The New York Times* (twice) and *The Washington Post* and 12 in *The Huffington Post*
 - Three original op-eds in state outlets
 - Syndication of these op-eds appeared a total of 179 times in state and local publications

These figures only record the number of *successful* op-ed placements. While we have a relatively high success rate, it is worth noting that we regularly fail to get opinion pieces placed, which still requires a lot of staff and consultants time to draft and try to place.

Some of the “greatest hits” op-eds drafted and placed by ATF and its partners in 2016 were:

- [Corporate Welfare Won't Create Jobs](#) by Frank Clemente, *The New York Times*, 12/12/2016. This op-ed challenged Donald Trump's assertions that lower corporate taxes will create a much better business climate so that corporations, like Carrier, do not shift production offshore.
- [The United States Should Fight Against Tax Dodgers, Not for Them](#) by former Senator Carl Levin, *The Washington Post*, 10/24/2016. This op-ed challenged the Obama Administration and members of Congress that were attacking the European Commission for requiring Apple to pay \$14 billion in back taxes to Ireland.

- [Close My Tax Loophole](#) by Alan Patricof, hedge fund founder and member of the Patriotic Millionaires, *The New York Times*, 8/26/2016. This op-ed was in support of closing the carried interest tax loophole.
- [From Panama to Delaware: How the U.S. Promotes Secret Tax Havens](#) by Mark Hays, senior advisor at Global Witness, April 2016 (syndicated by American Forum in 14 newspapers).
- [Time to Declare Our Independence from Corporate Tax Dodging](#) by Frank Clemente, 7/2/2016 (syndicated by American Forum in 21 newspapers).
- [Taxpayers Funded a Lifesaving Drug and Guess What Happened Next](#) by Senator Bernie Sanders, *The Huffington Post*, 7/13/2016 (syndicated by American Forum in 50 newspapers).
- [Corporations Dodge \\$718 billion in U.S. Tax Havens Through Offshore Tax Havens](#) by Matthew Gardner, Institute on Taxation and Economic Policy, *The Hill*, 10/7/2016 (syndicated by American Forum in 21 newspapers).
- [Obama Can Stop Pfizer's Tax Rip-Off](#) by Frank Clemente, *The Huffington Post*, 3/25/16 (syndicated by American Forum in 7 newspapers).
- [It's Tax Time, But Corporations Aren't Paying](#) by Frank Clemente, *The Huffington Post*, 4/13/2016 (syndicated by American Forum in 34 newspapers).
- [We Can Pay for Zika Response – And More – With Corporate Tax Reform](#) by Frank Clemente, *The Huffington Post*, 6/14/16 (syndicated by American Forum in 13 newspapers).

ATF and Frank Clemente published 12 op-eds on *The Huffington Post* website, which included three of those listed above. This provides a platform to share our ideas and to frame issues for a sophisticated audience of influencers. These op-eds are then widely shared with ATF leaders and activists. In addition to the three above, the Huffington Post op-eds published in 2016 were:

- [Tax-Dodging Microsoft Should Not be Honored at SOTU](#), 1/12/2016
- [An Open Letter to Donald Trump: Make Your Tax Returns Public](#), 5/24/2016
- [Tax Reform Proposals in Approved Draft of Democratic Platform Are Most Progressive in Modern History](#), 6/29/2016
- [Gilead Sciences: Price Gouger, Tax Dodger](#), 7/18/2016
- [The Five Worst Features of Trump's New Tax Plan](#), 8/18/2016
- [Five Tax Questions We Need Answered in Tonight's Presidential Debate](#), 9/26/2016
- [Five Wrong Things Trump Said About Taxes in the Debate](#), 9/27/2016
- [Trump's Infrastructure Plan Offers Private Gain, Public Pain](#), 11/22/2016
- [Trump's Treasury Pick Will Further Rig the System](#), 11/30/2016

- c. **Editorial Board, Columnist and Blogger Outreach.** Newspaper editorials and opinion pieces by columnists are very influential with policymakers and media talking heads. In addition to encouraging publication of our op-eds, ATF

educated opinion writers by sending them well-crafted editorial board memos. At strategic times, our media firm personally reached out to writers to be sure a memo was received and encouraged them to editorialize or else to run an op-ed column penned by ATF or a partner group. ATF sent three editorial board memos to more than 1,000 media outlets in 2016:

- [Editorial Board Memo: Obama’s Treasury Department Can Stop Pfizer’s \\$35 Billion Tax Dodge](#), 3/22/2016
- [Editorial Board Memo: Celebrate the 100 Year Anniversary of the Federal Estate Tax](#), 9/6/2016
- [Editorial Board Memo: All Presidential Candidates Should Release Their Tax Returns](#), 9/8/2016

d. Digital Organizing Activities. ATF’s digital program organizes coalition partners into coordinated actions, provides content ideas and tips on messaging to inspire allies to more fully adopt the tax issue as their own, engages advocates to take action, cultivates individual supporters to carry our message forward over social media networks, and expands our supporter and fundraising base. ATF’s digital presence includes a:

- 216,000-person email list
- Website (www.americansfortaxfairness.org)
- Facebook page (<https://www.facebook.com/Americans4TaxFairness>)
- Twitter handle (<http://twitter.com/4taxfairness>)

ATF had significant growth in many of its digital measurements in 2016, as shown in the table below.

ATF 2016 DIGITAL MEDIA METRICS		
Medium or Platform	Size of or Traffic to ATF's Digital Platforms as of Jan. 1, 2016	Size of or Traffic to ATF's Digital Platforms as of Dec. 31, 2016 (Decline or Growth %)
Website	119,812 unique visits in 2015 (avg. of 9,984 per month)	103,227 unique visits in 2016 (avg. of 8,602 per month) (-14%)
	164,270 unique page views in 2015 (avg. 13,689 per month)	148,905 unique page views in 2016 (avg. 12,909 per month) (-9%)
Email List Size (c3/c4)	135,422	216,015 (+54%)
Email Revenue Total	NA (Full Year)	\$67,074 12 months; \$5,590 / month
Email Revenue Total	\$7,417 (Oct-Dec, 2015)*	\$33,338 (Oct-Dec, 2016) (+350%)
Email Revenue (c3)	\$703/month (Oct.-Dec. 2015)*	\$40,255 12 months; \$3,355 / month
Email Revenue (c4)	\$1,770/month (Oct.-Dec. 2015)*	\$26,819 12 months; \$2,235 / month
Email Actions Total	NA	499,475
Petitions Signed	NA	385,015
Comments to SEC/IRS	NA	74,326
Letters to Congress	NA	40,134
Facebook	11,029 followers	20,843 followers (+89%)
Twitter	2,543 followers	3,303 followers (+30%)

* 2015 email revenue number is three months because that is when the program began

- **Website.** ATF launched a new website in May 2016, which is mobile friendly. ATF's website averaged monthly about 8,600 unique visits and about 13,000 unique page views. These figures represent declines from last year of 14% and 9%, respectively, most likely due to little activity in Congress and because ATF produced fewer major reports than usual.
- **E-mail List:** ATF and ATF AF share an email list that grew by 54% in 2016, from 135,422 subscribers to 216,015. With this list, we have been able to deliver an impact much greater than our numbers would indicate. One e-mail, signed by Sen. Elizabeth Warren, garnered more than 30,000 action takers. Typically, the number of action takers is in the 18,000 to 20,000 range—meaning we are getting a high percentage of e-mail recipients to take action.

Our activists took nearly half-a-million actions in 2016 (499,475), including:

- 385,013 total petitions signed
- 74,326 total comments delivered to the U.S. Treasury/IRS and the Securities and Exchange Commission
- 40,134 total emails to Congress
- **Fundraising from the e-mail list:** ATF and ATF AF raised \$67,000 in 2016—186% more than the \$36,000 projected. The c3 raised \$40,000, or 60%, and

the c4 raised nearly \$27,000, or 40%. We do not have comparable data for 2015 because our online fundraising program raised very little before ATF and ATFAF contracted with an e-mail consultant beginning in October 2015. In the last three months of 2015 the program raised about \$7,400, or \$2,500 a month. In the last three months of 2016 we raised more than \$33,000, or more than \$11,000 a month—a 350% increase.

- **Coalition work:** ATF engages national coalition partners in coordinated online activism (email petitions, letters to Congress, Tweet storms). Up to 18 groups participate on some level. Partners often include unions (such as the AFL-CIO and AFSCME), progressive groups (such as People’s Action and Campaign for America’s Future), and Netroots groups (such as CREDO Action, Daily Kos, Democracy for America, and The Other 98%).

Our fight against the Pfizer inversion showed how this coordinated work makes a difference. ATF got 12 partners to petition the White House through the “We the People” website and urge President Obama to instruct his Treasury Department to promulgate a rule that would take away the tax breaks Pfizer was planning to take advantage of through its inversion. The petition collected more than 210,000 signatures and elicited a response from the White House because it exceeded the 100,000 threshold for [White House action](#). The media gave the effort some press coverage. We presented the petitions to Treasury Department officials. A few months later, the Treasury Department promulgated its strong rule that killed the Pfizer inversion.

MAJOR COORDINATED EMAIL ACTIONS IN 2016				
Date	Petition	# of ATF Action Takers	Total Action Takers	Number and Sample of Partners
1/5/2016	Big Pharma - Price gouging and tax dodging	16,509	344,346	19 Partners including: AFSCME, Alliance for Retired Americans, Center for Community Change Action, Progressive Democrats of America, Public Citizen, RootsAction.org
3/1/2016	Stop Pfizer Inversion Petition to President Obama	20,742	210,618	16 Partners including: American Family Voices, Corporate Accountability International, Daily Kos, EPI, National People's Action, National Priorities Project, Watchdog.net
3/9/2016	People's Budget, Congressional Progressive Caucus	10,844	170,542	21 Partners including: American Federation of Teachers, Environmental Action, People Demanding Action, Social Security Works, U.S. Labor Against the War
5/23/2016	Trump Should Release His Tax Returns	24,731	282,425	18 Partners including: Courage Campaign, CREDO Action, Democracy for America, Left Action, USAction, Working Families

10/3/2016	Close the Carried Interest Loophole	19,381	237,023	20 Partners including: AFL-CIO, Campaign for America's Future, CPD Action, EPI Policy Center, Other 98%, People's Action, People For the American Way, Progressive Congress Action Fund, The Nation
12/17/2016	Trump Cabinet Nominees' Should Provide Tax Returns to Committees	28,725	124,558	6 Partners including: Senators Tammy Baldwin, Sherrod Brown, Kirsten Gillibrand, Patty Murray, Ron Wyden, Daily Kos
TOTAL		120,932	1,369,512	

- **Social Media**

- **Facebook:** ATF's Facebook followers grew by 89% in 2016, from 11,029 to nearly 21,000. In addition to this solid growth rate, our Facebook reach was impressive:
 - 10,930,200 total impressions (number of times FB posts were seen)
 - 351,275 total engagements (number of likes, comments, and shares)
 - 10,528 total link clicks (number of people who clicked on the link in the post)

Top Facebook posts by engagement:

- [Top income tax rates](#) – how much rates increased under Obama (20.1% engagement; 621 reach)
- [Trump's big infrastructure plan](#) (16.6% engagement; 2,121 reach)
- [July 4th – Tax dodging is unpatriotic](#) (15.8% engagement; 11,408 reach)

Top Facebook posts by reach:

- [Amount taxpayers subsidize Gilead's CEO pay](#) (5.6% engagement; 2,322,809 reach)
- [Hungry kids and tax dodging](#) (6.7% engagement; 705,928 reach)
- [St. Patrick's Day](#) (8.1% engagement; 635,308 reach)

- **Twitter:** ATF's Twitter followers grew by 30% in 2016, from 2,543 to 3,303. Our reach included:
 - 1,659,934 average impressions on Tweets from our account (number of times seen – doesn't include retweets from other accounts)
 - 22,712 engagements (number of times our Tweets were commented on or retweeted)
 - 3,394 link clicks
 - ATF sent 84% more tweets in 2016 than it did in 2015
 - The number of engagements increased by 2,018% in 2016
 - Number of impressions per Tweet increased by 382% in 2016

Top tweets by reach:

- While Mylan is price gouging its EpiPen, it's also dodging taxes. Read more here -> <http://bit.ly/2bjF2vP> pic.twitter.com/GYk8Q3JNcL (30 million impressions, including retweets and impressions for their followers)
- Maker of \$84,000 drug avoided \$10 billion in U.S. taxes, report says <http://wpo.st/n3Tl1> [#GougerDodger](https://twitter.com/GougerDodger) (2.8 million)
- Taxpayers funded a lifesaving drug, guess what happened next <http://bit.ly/2b4gkPO> via @SenSanders [#CorpsPayUp](https://twitter.com/CorpsPayUp) (2.7 million)
- [#Pfizer](https://twitter.com/Pfizer) wants to dodge \$35B in [#taxes](https://twitter.com/taxes) after raising drug prices 39%. Americans deserve better!
[#PfizerGougerDodgerpic.twitter.com/OVptDz20jR](http://pic.twitter.com/OVptDz20jR) (836,400)
- \$2T in corporate offshore profits=\$600B in revenue that could pay for infrastructure, [#healthcare](https://twitter.com/healthcare) & more.
[#GOPdebatepic.twitter.com/wUORvBANpz](http://pic.twitter.com/wUORvBANpz) (828,200)
- [#Trump](https://twitter.com/Trump), [#Ryan](https://twitter.com/Ryan) would shortchange students to give tax breaks to corporations and CEOs <http://bit.ly/29eWz7p> via @edvotes[#PaulDon](https://twitter.com/PaulDon) (219,200)

D. Research and Policy Work

ATF did the following research and policy work during 2016:

- 1. Coordinated a Committee of Think Tanks and Policy Groups.** Through ATF's Research and Policy Committee, chaired by the Center for American Progress, the campaign fostered collaboration through periodic meetings and communications to discuss policy positions and to identify research and policy products that are needed for public education. Other groups that participate with the committee include the AFL-CIO, Center on Budget and Policy Priorities, Citizens for Tax Justice/ITEP, Economic Policy Institute, FACT Coalition, Institute for Policy Studies and the National Women's Law Center. ATF maintains a listserv among all the groups to share information and ideas.
- 2. Prepared Education Materials for the Public and Policymakers.** In collaboration with our partners, ATF staff produced two major reports, one online chartbook with the Economic Policy Center and 12 fact sheets. ATF also promoted policy materials from partners to a national audience. ATF's public education materials produced in 2016 are described below.

a. Reports

- [Pfizer: Price Gouger Tax Dodger](#), February 2016. This report, prepared with the assistance of ITEP, showed that Pfizer would dodge up to \$35 billion in

taxes it owed to the U.S. on its current offshore profits if it succeeded in inverting with an Irish drug company. The report was covered in more than [120 media stories](#) in the U.S. and around the world, and provided the foundation for a major public education campaign among a diverse coalition of groups.

- [Gilead Sciences: Price Gouger, Tax Dodger](#), July 2016. This report, prepared with the assistance of ITEP, found that Gilead, the sixth most valuable pharmaceutical company in the world, raked in billions of dollars in profits from exorbitantly priced hepatitis C medications that were developed with taxpayer dollars, and then shifted those profits to Ireland, an offshore tax haven, to dodge U.S. taxes. Its two life-saving medications retail for about \$90,000—60 times their manufacturing costs. The report found that due to price gouging, Gilead’s worldwide revenues *tripled*—from \$11.2 billion in 2013 to \$32.6 billion in 2015. Corporate pre-tax profits soared even more: rising from \$4.2 billion to \$21.7 billion from 2013 to 2015, a *five-fold* increase. But, over the same period Gilead’s worldwide effective tax rate plummeted by 40%—dropping from 27.3% in 2013 to 16.4% in 2015. Meanwhile, Gilead now has \$29 billion in offshore profits on which it owes about \$10 billion.

The report has garnered at least [81 media hits](#). Sen. Bernie Sanders, a leader in the fight against rising prescription drug prices, took a particular interest in the report and authored an op-ed, which ATF distributed to media outlets around the country, resulting in at least 50 published op-eds.

- [Corporate Tax Chartbook: How Corporations Rig the Rules to Dodge the Taxes They Owe](#), [\[PDF version\]](#) September 2016. ATF produced this chartbook, which EPI modified and put online as a strong graphic presentation. Through 20 charts that can be copied by users, it provides a strong narrative showing that U.S. corporations are not at an international competitive disadvantage when it comes to tax rates, profits, and other measures. It makes the case that the \$2.5 trillion in offshore profits are held by a small number of giant U.S. multinationals, most of the money is derived from profit-shifting and not legitimate business activities offshore, and that corporations should pay the \$700 billion they owe on those profits.

- b. Fact Sheets.** In 2016 ATF produced 16 fact sheets and analyses about policy issues and distributed them widely as part of its ongoing public education efforts.

Corporate Tax Reform & Corporate Inversions

- [Tax Fairness Coalition Says Obama’s Treasury Department Can End Tax Benefits of Pfizer and Johnson Controls Inversions](#), January 23, 2016
- [Offshore Corporate Tax Dodgers: Pay What You Owe Flyer](#), April 13, 2016

- [International Corporate Tax Reform: Trillions of Dollars for Investments at Stake](#), June 15, 2016
- [ATF Corporate Tax Reform Principles](#), July 2016
- [Mylan, Price Gouging Its EpiPen, Is Also Dodging Its Taxes](#), August 25, 2016
- [Instead of Paying Its U.S. Taxes, Qualcomm's Buying a Foreign Company](#), November 1, 2016

Trump & Ryan Tax Plans

- [Paul Ryan's Tax Blueprint Will Probably Look a Lot Like Donald Trump's Tax Plan—And Neither Serves the American People](#), June 23, 2016
- [Six worst features of Donald Trump's Tax Plan](#), November 17, 2016
- [Seven Worst Features of Paul Ryan's Tax Plan](#), November 17, 2016
- [Comparing the Trump & Ryan Tax Plans](#), November 28, 2016
- [Trump Tax Plan Would Let Tech Industry Permanently Dodge Hundreds of Billions in U.S. Taxes](#), December 14, 2016
- [ATF Backgrounder on the Trump Infrastructure Plan](#), 12/15/16

Political Party Positions on Tax Issues & the Presidential Transition

- [ATF Oral Testimony to DNC Platform Committee](#), June 9, 2016
- [ATF Testimony to RNC Platform Committee](#), June 13, 2016
- [Policy Positions on Tax Issues in Democratic Party Platforms from 1960-2012](#), June 28, 2016
- [The Treasury Department and Federal Tax Policy in a New Administration: Principles, Priorities, and Process](#), November 4, 2016