

# Support Revenue-Positive Changes to the Corporate Tax Code and Oppose a Territorial Tax System

*Letter signed by 515 National and State Organizations*

December 20, 2012

Dear Senator:

We understand that you may be considering changes to the corporate tax system as part of a deficit-reduction deal. If so, we ask you to do two things: 1) Ensure that corporations pay their fair share to reduce the deficit by closing corporate tax loopholes and adopting changes to the corporate tax code that result in significant *additional* revenues rather than “revenue-neutral” reform, and 2) oppose adoption of a territorial tax system, which will encourage corporations to shift U.S. jobs and profits overseas, further reducing revenues and undermining our economy and families.

The corporate share of federal revenue was just 8 percent in 2011, having declined by 75 percent in the last 60 years, according to [Office of Management Budget figures](#) (Table 2.2).<sup>1</sup> Due to huge loopholes and other factors, dozens of big corporations paid no federal income taxes in the last four years while reaping billions of dollars in profits, according to [Citizens for Tax Justice](#).<sup>2</sup> Overall, corporations paid an average effective tax rate of 25.6 percent between 1987 (the beginning of the last major corporate tax reform) and 2008 but just a 12 percent rate in 2011, according to the [Congressional Budget Office](#) (Figure 4-3).<sup>3</sup>

Clearly change is needed to raise more revenue from corporations and to make the corporate tax system fairer, especially to small businesses competing against large companies and domestic companies competing against multinationals. It should start by closing loopholes and eliminating tax-avoidance schemes involving tax havens, which are estimated to cost at least \$100 billion a year in lost revenue, according to a [U.S. Senate Subcommittee](#).<sup>4</sup>

Tax loopholes allow too many large U.S. multinational companies to shift U.S. profits to offshore subsidiaries and use creative accounting to avoid paying taxes on income legitimately earned in the United States. Tax haven abuses benefit multinational corporations and Wall Street banks at the expense of Main Street businesses, rewarding those that exploit the cleverest loopholes, rather than create incentives for innovation and for investing in America.

A shift to a “territorial” tax system would exacerbate these problems, as corporations would *never* have to pay tax on their offshore profits. This would give corporations even greater incentives to move jobs and profits offshore – an outcome that voters in the 2012 election clearly opposed. Edward Kleinbard, a former chief of staff of the Joint Committee on Taxation, recently likened a territorial tax system to a “repatriation holiday on steroids ... a sort of a permanent repatriation holiday.” Instead, we urge you to close the loopholes that allow corporations to avoid U.S. taxes by shifting profits offshore.

By closing loopholes and instituting revenue-positive corporate tax reform the deficit can be reduced and unmet needs can be funded, from rehiring laid off teachers to rebuilding our crumbling infrastructure. Those struggling to find work, keep their jobs, feed their families and retire with the benefits they've earned should not be asked to sacrifice more, as corporations contribute so little.

Sincerely,

9to5, National Association of Working Women  
AFL-CIO  
AFL-CIO, Building & Construction Trades Department  
AFL-CIO, Department for Professional Employees  
AFL-CIO, Transportation Trades Department  
African American Health Alliance  
AFSCME  
Alliance for a Just Society  
Alliance for Children and Families  
Alliance for Global Justice  
Alliance for Retired Americans  
American Association of University Women  
American Federation of Government Employees  
American Federation of School Administrators, AFL-CIO  
American Federation of Teachers  
American Friends Service Committee  
American Society on Aging  
American Sustainable Business Council  
Americans for Democratic Action  
Asian Services In Action  
Brandon and Associates  
Brotherhood of Railroad Signalmen  
Business for Shared Prosperity  
Campaign for America's Future  
Campaign for Community Change  
CDCRC (Community Development Corporation Resource Consortium) Inc.  
Center for Biological Diversity  
Center for Community Change  
Center for Global Policy Solutions  
Center for Rural Affairs  
Children's Alliance  
Children's Defense Fund  
Children's Leadership Council  
Citizens for Tax Justice  
CLASP (Center for Law and Social Policy)  
Clearinghouse on Women's Issues  
Coalition of Labor Union Women  
Coalition on Human Needs  
Collaborative Alliances of America  
Communications Workers of America

Communities United For Action  
Community Action Partnership  
Community-Catalyst  
Community Organizers in Action  
Contact Center  
Conference of Major Superiors of Men  
CREDO Action  
Demos  
Disciples Justice Action Network  
Early Childhood Policy Research/ Alliance for Early Childhood Finance  
Economic Policy Institute  
Every Child Matters  
Fair Share Alliance  
Faith in Public Life  
Families USA  
Fellowship of Reconciliation USA  
Financial Accountability & Corporate Transparency (FACT) Coalition  
Fiscal Policy Institute  
Friends Committee on National Legislation  
Friends of the Earth  
Fund for Southern Communities  
Fund our Communities, Bring the War Dollars Home  
Generational Alliance  
Gray Panthers  
Health Care for America NOW!  
Hispanic Affairs Project  
Jesuit Social Research Institute  
International Association of Machinists and Aerospace Workers  
International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers  
International Brotherhood of Electrical Workers  
International Brotherhood of Teamsters  
International Union of Bricklayers and Allied Craftworkers  
Jobs with Justice/American Rights at Work  
JPIC Ministry – Missionary Oblates  
Jubilee USA Network  
Just Harvest  
La Fe Policy Research and Education Center  
Leadership Center for the Common Good  
Leadership Conference on Civil & Human Rights  
League of Rural Voters  
Main Street Alliance  
Medicare Rights Center  
MoveOn.org  
Ms. Foundation for Women  
National Advocacy Center of the Sisters of the Good Shepherd  
National African American Drug Policy Coalition  
National Alliance of HUD Tenants  
National Association for Hispanic Elderly  
National Committee to Preserve Social Security & Medicare

National Council of Jewish Women  
National Council of La Raza  
National Education Association  
National Employment Law Project  
National Farmers Union  
National Gay and Lesbian Task Force  
National Hispanic Council on Aging  
National Human Services Assembly  
National Immigration Law Center  
National Low Income Housing Coalition  
National Organization for Women  
National People's Action  
National Priorities Project  
National Senior Corps Association  
National Women's Law Center  
NETWORK, A National Catholic Social Justice Lobby  
New England Consortium Poverty Reduction Initiative  
New Rules for Global Finance Coalition  
NCLR Action Fund  
OMB Watch  
Peacehome Campaigns  
Peace House  
PICO National Network  
Progressive Democrats of America  
Progressive States Network  
Prosperity Works  
Public Citizen  
Racial and Ethnic Health Disparities Coalition  
Rebuild the Dream  
Responsible Wealth  
RESULTS  
Sargent Shriver National Center on Poverty Law  
Service Employees International Union  
Social Security Works  
Southeast Asia Resource Action Center (SEARAC)  
Steelworkers Organization of Active Retirees (SOAR)  
Sugar Law Center for Economic & Social Justice  
Tax Justice Network USA (TJN – USA)  
Teach Our Children  
Transport Workers Union  
Tree Rock, Inc.  
U.S. PIRG  
UAW, International United Automobile, Aerospace and Agricultural Implement Workers of America  
United Electrical, Radio and Machine Workers of America (UE)  
United for a Fair Economy  
United Mine Workers of America  
United Neighborhood Centers of America  
United States Labor Against the War  
United States Student Association

United Steelworkers  
United Transportation Union-SMART  
USAction  
Voices for America's Children  
Voices for Progress  
Wealth for the Common Good  
Wider Opportunities for Women  
Working America  
Working Families Party  
Young Women's Christian Association

Arizona	Arizona Advocacy Network
Arizona	Arizona PIRG
Arizona	AZ Alliance for Peace and Justice
Arizona	Women in Black Phoenix
Arkansas	AFSCME Council 38
Arkansas	Arkansas Community Organizations
Arkansas	Arkansas Education Association
Arkansas	Arkansas Interfaith Alliance
Arkansas	Arkansas Interfaith Committee for Worker Justice
Arkansas	OMNI Center for Justice, Peace, and Ecology
Arkansas	Southwest Region Workers United, SEIU
Arkansas	Teamster Local 878
Arkansas	Arkansas Women's Action for New Direction
California	Alliance of Californians for Community Empowerment
California	California Childcare Coordinators Association
California	California PIRG
California	Children's Defense Fund - California
California	Elsdon, Inc.
California	Greenlining Institute
California	Molina Healthcare of California
California	National Association of Social Workers, CA Chapter
Colorado	9to5, National Association of Working Women
Colorado	ARC of Colorado
Colorado	Coloradans for an Alternative to the Death Penalty Foundation
Colorado	Colorado AFL-CIO
Colorado	Colorado Conservation
Colorado	Colorado Cross Disability Coalition
Colorado	Colorado Education Association
Colorado	Colorado Fiscal Institute
Colorado	Colorado Fiscal Policy Institute
Colorado	Colorado PIRG
Colorado	Colorado Progressive Coalition
Colorado	Colorado Progressive Coalition/Action
Colorado	Denver Area Labor Federation
Colorado	FRESC: Good Jobs, Strong Communities
Colorado	Hispanic Affairs Project
Colorado	Interfaith Alliance of Colorado
Colorado	NARAL Pro-Choice Colorado

Colorado	New Era Colorado
Colorado	ProgressNow Colorado
Colorado	ProgressNow Colorado Education Fund
Colorado	Rocky Mountain Peace and Justice Center
Colorado	SEIU Local 105
Colorado	Together Colorado
Colorado	Working America
Connecticut	Citizens for Economic Opportunity
Connecticut	Connecticut Citizen Action Group
Connecticut	Connecticut Association for Human Services
Connecticut	Connecticut PIRG
Connecticut	Connecticut Voices for Children
Connecticut	Teach Our Children
Delaware	Coalition of Black Trade Unionists (CBTU), Delaware Chapter
Delaware	Delaware AFL-CIO
Delaware	Delaware Community Reinvestment Action Council, Inc (DCRAC)
Delaware	Delawareans for Social and Economic Justice (DSEJ)
Delaware	Delaware NOW
Delaware	Delaware Public Employees Council 81 AFSCME
Delaware	Delaware State Conference NAACP
Delaware	Delaware State Education Association
Delaware	Newark, Delaware Branch of the NAACP
Delaware	Progressive Democrats of Delaware (PDD)
Delaware	Sussex Coalition for Federal Tax Fairness
District of Columbia	DC Jobs with Justice
Florida	AFSCME Council 79
Florida	Awake Pinellas
Florida	Center for Independent Living of South Florida, Inc.
Florida	Central Florida Jobs with Justice
Florida	Farmworker Association of Florida
Florida	Florida CHAIN
Florida	Florida Center for Fiscal and Economic Policy
Florida	Florida Consumer Action Network
Florida	Florida Institute of Reform and Empowerment
Florida	Florida PIRG
Florida	Florida Watch Action
Florida	FOCUS Orlando (Federations of Congregations United to Serve)
Florida	Organize Now
Florida	PICO United Florida
Florida	Progress Florida
Florida	SEIU Florida
Georgia	Georgia PIRG
Georgia	Georgia Rural/Urban Summit
Georgia	MoveOn.org (Atlanta Council)
Hawaii	Hawaii State Teachers Association
Idaho	Idaho Community Action Network
Idaho	United Action for Idaho
Illinois	AFSCME Council 31
Illinois	ATU 416

Illinois	Chicago Democratic Socialists of America
Illinois	Chicago Political Economy Group
Illinois	Citizen Action Illinois
Illinois	Housing Action Illinois
Illinois	IIRON
Illinois	Illinois Action for Children
Illinois	Illinois People's Action
Illinois	Illinois PIRG
Illinois	Lakeview Action Coalition
Illinois	Metanoia Centers
Illinois	Northside P.O.W.E.R.
Illinois	Southsiders Organized for Unity and Liberation (SOUL)
Illinois	UAW Region 4
Iowa	AFSCME Council 61
Iowa	Iowa Citizen Action Network
Iowa	Iowa Citizens for Community Improvement
Iowa	Iowa Main Street Alliance
Iowa	Iowa PIRG
Iowa	Working Families Win Iowa
Kansas	AFSCME Council 72
Kansas	Kansas Action for Children
Kansas	Kansas Sunflower
Kentucky	Community Coordinated Child Care (4C)
Kentucky	Kentucky Center for Economic Policy
Kentucky	Kentucky Education Association
Kentucky	Kentucky Youth Advocates
Louisiana	Baton Rouge Community College
Louisiana	Baton Rouge NAACP
Louisiana	Bayou Interfaith Shared Community Organizing
Louisiana	Blessed Sacrament St. Joan of Arc Catholic Church
Louisiana	Louisiana Budget Project
Louisiana	Louisiana Healthcare Consumer Coalition
Louisiana	Louisiana SEIU
Louisiana	MICAH Project
Louisiana	New Gideon Baptist Church
Louisiana	One Voice Louisiana
Louisiana	PICO Louisiana Interfaith Together
Louisiana	SEIU Local 21LA
Louisiana	Southern University Agricultural Research and Extension Center
Louisiana	True Life Fellowship Baptist Church
Louisiana	Working Interfaith Network (WIN)
Maine	Food AND Medicine
Maine	Maine AFL-CIO
Maine	Maine Center for Economic Policy
Maine	Maine Children's Alliance
Maine	Maine Equal Justice Partners
Maine	Maine League of Young Voters
Maine	Maine League of Young Voters Education Fund
Maine	Maine's Majority

Maine	Maine MSEA-SEIU
Maine	Maine People's Alliance
Maine	Maine People's Resource Center
Maine	Maine Small Business Coalition
Maine	Maine Women's Lobby
Maine	Neighborhood Housing League
Maine	The Visible Community
Maryland	AFSCME Council 3
Maryland	Maryland Budget & Tax Policy Institute
Maryland	Maryland Education Association
Maryland	Maryland PIRG
Maryland	Montgomery College Adult Education Adult Literacy
Maryland	PeterCares House
Maryland	Progressive Maryland
Maryland	Xaverian Brothers
Massachusetts	Alliance to Develop Power
Massachusetts	Boston EITC Coalition
Massachusetts	Boston Jobs with Justice
Massachusetts	Massachusetts Law Reform Institute
Massachusetts	Massachusetts PIRG
Massachusetts	Promise the Children
Massachusetts	RESULTS Boston
Michigan	Michigan Citizen Action
Michigan	Metro Detroit Chapter of Labor Union Women
Michigan	Michigan Gray Panthers of Metro Detroit
Michigan	Michigan League for Public Policy
Michigan	Michigan Unitarian Universalist Social Justice Network
Michigan	Michigan Universal Health Access Network
Michigan	PIRGIM
Michigan	Sugar Law Center for Economic & Social Justice
Minnesota	A Minnesota Without Poverty
Minnesota	ISAIAH
Minnesota	Minnesota AFL-CIO
Minnesota	Minnesota AFSCME Council 5
Minnesota	Minnesotans for a Fair Economy
Minnesota	Murphy Design Inc.
Minnesota	Neighborhoods Organizing for Change
Minnesota	RESULTS Twin Cities, MN
Minnesota	SEIU Local 284
Minnesota	TakeAction Minnesota
Minnesota	United Food & Commercial Workers Union 1189
Missouri	AFSCME Council MO
Missouri	Communities Creating Opportunity
Missouri	Grassroots Organizing
Missouri	Holy Trinity Manor
Missouri	Jefferson City Congregations Uniting
Missouri	Missourians for Tax Justice
Missouri	Missourians Organizing for Reform and Empowerment
Missouri	Missouri Budget Project



Missouri	Missouri Faith Voices
Missouri	Missouri Jobs with Justice
Missouri	Missouri PIRG
Missouri	Missouri ProVote
Missouri	Missouri Progressive Vote Coalition
Missouri	Missouri Rural Crisis Center
Montana	AFSCME Montana Council 9
Montana	Center for Rural Affairs
Montana	Indian People's Action
Montana	Magic City MoveOn
Montana	Missoula Area Central Labor Council, AFL-CIO
Montana	Montana Community Organizations in Action
Montana	Montana Organizing Project
Montana	Montana Small Business Alliance
Montana	SEIU 775NW Montana
Nebraska	Center for Rural Affairs
Nebraska	Lutheran Metro Ministry
Nebraska	Nebraska Association of Public Employees/AFSCME
Nebraska	Sisters of Mercy West Midwest Justice Team
Nevada	DREAM Big Vegas
Nevada	Nevada Desert Experience
Nevada	Nevada State Education Association
Nevada	Nevada Women's Lobby
Nevada	NV Lawyers for Progressive Policy
Nevada	Progressive Leadership Alliance of Nevada (PLAN)
Nevada	ProgressNow Nevada
Nevada	SEIU Nevada
Nevada	Sierra Interfaith Action for Peace
Nevada	Stonewall Democratic Club of Southern Nevada
Nevada	Unitarian Universalist, Northern Nevada
New Hampshire	Children's Alliance of New Hampshire
New Hampshire	New Hampshire Citizens Alliance
New Hampshire	New Hampshire PIRG
New Jersey	American Federation of Teachers New Jersey
New Jersey	Communications Workers of America New Jersey
New Jersey	IFPTE Local 194
New Jersey	Long Beach Island Democratic Club, NJ
New Jersey	New Jersey Citizen Action
New Jersey	New Jersey Communities United
New Jersey	New Jersey Main Street Alliance
New Jersey	New Jersey Next Step
New Jersey	New Jersey PIRG
New Jersey	New Jersey Policy Perspective
New Jersey	New Jersey Princeton Community Housing
New Jersey	New Jersey State Industrial Union Council
New Jersey	New Jersey Tenants Organization
New Jersey	New Jersey Working Families Alliance
New Jersey	Strong Economy for All
New Mexico	American Federation of Teachers New Mexico

New Mexico	New Mexico PIRG
New Mexico	New Mexico Voices for Children Fiscal Policy Project
New Mexico	Organizers in the Land of Enchantment
New York	Central New York Alliance for Retired Americans
New York	Central New York Citizens in Action
New York	Citizen Action of New York
New York	Claire Heureuse Community Center, Inc.
New York	Community Voices Heard
New York	Hudson Valley for Obama
New York	Justice Committee Sisters of St. Joseph Carondelet, Albany
New York	Labor-Religion Coalition of NYS
New York	Make the Road New York
New York	Metro Justice of Rochester NY
New York	Metro New York Health Care for All Campaign
New York	Mount Vernon United Tenants
New York	New York State Alliance for Retired Americans
New York	New York State Public Employees Federation
New York	New Yorkers for Fiscal Fairness
New York	Peace Action New York State
New York	People United for Sustainable Housing
New York	PUSH Buffalo
New York	Small Business United
New York	Social Justice Ministry, St. Kateri Tekakwitha Parish
New York	Syracuse United Neighbors
New York	Upper NY Conference United Methodist Women
New York	VOCAL-NY (formerly NYC AIDS Housing Network)
North Carolina	Action NC
North Carolina	Blueprint NC
North Carolina	North Carolina Justice Center
North Carolina	North Carolina PIRG
North Carolina	The Support Center
North Dakota	North Dakota AFL-CIO
Ohio	Central Ohio Democratic Women's Caucus
Ohio	Communities United For Action
Ohio	Mahoning Valley Organizing Collaborative
Ohio	Ohio Organizing Collaborative
Ohio	Policy Matters Ohio
Ohio	Progress Ohio
Ohio	Single Payer Action Network Ohio
Ohio	SPAN
Ohio	United Church of Christ Justice and Witness Ministries
Ohio	Worthington Area Democratic Club
Oregon	AFSCME Oregon
Oregon	Cascade AIDS Project
Oregon	Eugene Education Association
Oregon	Impact NW
Oregon	Main Street Alliance of Oregon
Oregon	Oregon Action
Oregon	Oregon Center for Public Policy

Oregon	Oregon Education Association
Oregon	Oregon State Council for Retired Citizens
Oregon	Oregon Women's Action for New Directions
Oregon	OSPIRG
Oregon	SEIU Local 503
Oregon	Tax Fairness Oregon
Oregon	United Seniors of Oregon
Pennsylvania	Action United
Pennsylvania	Action United Education Fund
Pennsylvania	AFSCME Council 13
Pennsylvania	Brandywine Peace Community
Pennsylvania	Feast of Justice
Pennsylvania	PennAction (USAction)
Pennsylvania	Pennsylvania Council of Churches
Pennsylvania	Pennsylvania PIRG
Pennsylvania	Providence Connections
Pennsylvania	The Thomas Merton Center
Rhode Island	Economic Progress Institute
Rhode Island	Ocean State Action
Rhode Island	Rhode Island KIDS COUNT
Rhode Island	Rhode Island PIRG
South Carolina	South Carolina Small Business Chamber
Tennessee	Tennessee Citizen Action
Tennessee	Tennesseans for Fair Taxation
Tennessee	Tennessee Health Care Campaign
Texas	Center for Public Policy Priorities
Texas	Children's Defense Fund – Texas
Texas	Citysquare
Texas	Education Equals Making Community Connections
Texas	Progress Texas
Texas	Senior Community Outreach Services, Inc.
Texas	Texas PIRG
Utah	Disabled Rights Action Committee
Vermont	Voices for Vermont's Children
Virginia	A & K Enterprise
Virginia	Progress Virginia Education Fund
Virginia	SEIU Local 512
Virginia	The Commonwealth Institute for Fiscal Analysis
Virginia	Virginia AFL-CIO State Federation
Virginia	Virginia Education Association
Virginia	Virginia Interfaith Center for Public Policy
Virginia	Virginia New Majority
Virginia	Virginia Organizing Project
Washington	AFGE Local 3937
Washington	American Federation of Teachers Washington
Washington	Children's Alliance
Washington	El Centro De La Raza
Washington	FUSE Washington
Washington	Health Care for All - Washington

Washington	Latinos for Community Transformation
Washington	Main Street Alliance of Washington
Washington	Executive Directors Coalition
Washington	National Health Program Western Washington Chapter
Washington	Northwest Housing Development
Washington	ONE America
Washington	Parents Organized for Welfare and Economic Rights
Washington	Puget Sound Advocates for Retirement Action
Washington	RESULTS Seattle
Washington	SEIU Local 6
Washington	SEIU Local 925
Washington	SEIU Healthcare 775NW
Washington	Washington CAN! Education and Research Fund
Washington	Washington CARE Council
Washington	Washington Community Action Network
Washington	Washington Economic Opportunity Institute
Washington	Washington Fair Trade Coalition
Washington	Washington Federation of State Employees
Washington	Washington PIRG
Washington	Washington State Labor Council, AFL-CIO
Washington	Working Washington
West Virginia	AFSCME Council 77
West Virginia	International Brotherhood of Electrical Workers Local 466
West Virginia	Southern Appalachian Labor School
West Virginia	The Phillips Group
West Virginia	West Virginia AFL-CIO
West Virginia	West Virginia Center on Budget & Policy
West Virginia	West Virginia Citizen Action Group
West Virginia	West Virginia UU Advocacy Network
Wisconsin	Citizen Action of Wisconsin
Wisconsin	Institute for Wisconsin's Future
Wisconsin	Peace Action Wisconsin
Wisconsin	Tax Fairness WI
Wisconsin	Wisconsin Alliance for Retired Americans
Wisconsin	Wisconsin PIRG

## Endnotes

<sup>1</sup> U.S. Office of Management and Budget, Fiscal Year 2013 Budget, Historical Tables, 1934-2017 (Table 2.2), (2012). Corporate taxes declined from 30.5 percent of federal revenue in 1953 to 7.9 percent in 2011.

<http://www.whitehouse.gov/omb/budget/Historicals>

<sup>2</sup> Citizens for Tax Justice, "Big No-Tax Corps Just Keep on Dodging," (April 9, 2012).

<http://www.ctj.org/pdf/notax2012.pdf>

<sup>3</sup> Congressional Budget Office, "The Budget and Economic Outlook, Fiscal Years 2012 to 2022," (January 2012), Figure 4-3, p. 89.

[http://www.cbo.gov/sites/default/files/cbofiles/attachments/01-31-2012\\_Outlook.pdf](http://www.cbo.gov/sites/default/files/cbofiles/attachments/01-31-2012_Outlook.pdf)

<sup>4</sup> Permanent Subcommittee on Investigations, Committee on Homeland Security and Government Affairs, United States Senate, "Tax Haven Banks and U.S. Tax Compliance" (July 17, 2008), p. 1.

<http://www.hsgac.senate.gov/download/report-psi-staff-report-tax-haven-banks-and-us-tax-compliance-july-17-2008>