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Tax Fairness Coalition Praises Introduction of Sen. Levin's Legislation to Stop Abuse of Corporate Tax Havens

WASHINGTON – [Americans for Tax Fairness](#) (ATF), a coalition of more than 325 national and state organizations, today praised the introduction of the Stop Tax Haven Abuse Act. The legislation will be introduced Thursday by Senator Carl Levin (D-MI) and cosponsors Senators Sheldon Whitehouse (D-RI), Mark Begich (D-AK) and Jeanne Shaheen (D-NH). The bill would close the most egregious corporate tax loopholes used by multinationals to shield offshore profits from taxation and raise at least \$200 billion over 10 years.

“Corporations need to pay their fair share of taxes. There is no better way to do that than by closing offshore corporate tax loopholes that lose about \$100 billion in revenue each year and result in the shipping of many jobs overseas,” said Frank Clemente, Campaign Manager of Americans for Tax Fairness. “On behalf of our coalition, I would like to thank Senator Levin for his leadership on this issue. We stand strongly behind this legislation and we are prepared to engage the collective power of our 325 national and state member organizations to support his efforts.”

The [Levin-Whitehouse-Begich-Shaheen bill](#) would primarily close tax loopholes in four areas – eliminating incentives for sending jobs and operations offshore, stopping manipulation of the foreign tax credit, limiting incentives to moving intellectual property and related marketing rights to other countries, and repealing the “check the box” rule, which allows corporations to [make foreign subsidiaries invisible for tax purposes](#). Some of the largest and most profitable American corporations use these loopholes aggressively, turning their tax and legal departments into profit centers, saving billions in taxes and gaining a substantial advantage over competitors. Some extremely profitable companies, [such as General Electric](#), have in some years been able to avoid federal corporate income taxes altogether.

There is growing bipartisan agreement that a number of corporate tax loopholes should be closed in order to level the playing field, especially those that give significant advantages to the largest multinational corporations over medium or small businesses. Members of the ATF coalition and many others also believe that collecting lost revenue is necessary to meet our long-term fiscal challenges, reverse and prevent further cuts to critical benefits and services, and make needed investments to strengthen our economy and create jobs, not be used for more tax cuts.

Much of the debate over corporate taxes to date has focused on the top federal corporate income tax rate, which is 35 percent. However, the largest and most profitable corporations

only paid an effective tax rate of 12.6 percent in 2010, according to [a report by the U.S. Government Accountability Office](#). The difference between the top rate and the effective rate is largely due to numerous tax breaks and widespread use of tax avoidance strategies, many of which would be prevented by the Levin bill. The legislation introduced Thursday helps shift the debate to the need to close corporate tax loopholes to raise substantial sums, rather than to supporting revenue-neutral tax reform.

ATF is a diverse coalition of more than [325 national and state organizations](#) that collectively represent tens of millions of members. The organization was formed on the belief that the country needs comprehensive, progressive tax reform that results in greater revenue to meet our growing needs. ATF is playing a central role in Washington and in the states on federal tax-reform issues.

LEVIN BILL RESOURCES

[Summary of the Levin-Whitehouse-Begich-Shaheen Stop Tax Haven Abuse Act – Office of Senator Carl Levin](#)

[Press release from the Office of Senator Carl Levin Announcing the Stop Tax Haven Abuse Act](#)

RECENT ATF REPORTS

[Corporate Tax Dodgers: 10 Companies and Their Tax Loopholes](#)

[The High Price of Corporate Tax Loopholes](#)

[Key Facts about Tax Havens and Corporate Tax Reform](#)

[Highlights of Apple's Tax Dodging](#)

[Highlights of Microsoft's Tax Dodging](#)

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