

AMERICANS FOR TAX FAIRNESS MEDIA REPORT

Pfizer's Tax Dodging Rx: Stash Profits Offshore

November, 2015 – December, 2015

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NEWS ARTICLES

Hillary Clinton criticizes Pfizer-Allergan merger -- *Observer Leader*

By Jeannette Daniel
November 26, 2015

But an investigation by Americans for Tax Fairness found that rate was inflated by future payments it might never make. And once again, grandstanding politicians are stomping all over the businessmen behind the deal.

Pfizer and Allergan in Talks to Make Saunders CEO in Merger -- *Trade 12*

November 23, 2015

Americans for Tax Fairness executive director Frank Clemente said on Tuesday, “Despite its self-serving claims, Pfizer is not at a competitive disadvantage operating under the U.S. tax system.”

“If anything, Pfizer is highly advantaged. An inversion would lock in these current advantages and extend them further, giving Pfizer an even bigger unwarranted tax edge against other American companies that are paying their fair share,” he added.

Pfizer Allergan Merger -- Al Jazeera America

November 23, 2015

Americans for Tax Fairness Executive Director Frank Clemente appeared on Al Jazeera America to discuss the merger of Pfizer and Allergan and the consequences of the move.

Americans for Tax Fairness on 64 Sinclair Broadcasting television stations

November 13, 2015

Americans for Tax Fairness Director Frank Clemente did an on-camera interview with Sinclair Broadcasting's Washington bureau on Pfizer's planned inversion. The interview appeared on all 64 of Sinclair's local television news broadcasts, including WBFF (FOX) Baltimore, [Tax Fairness on KTUL \(ABC\) - Tulsa, OK](#), [Tax Fairness on WICD \(ABC\) - Champaign, IL](#), [Tax Fairness on KATU-POR \(ABC\) - Portland, OR](#), [Tax Fairness on KHQA \(CBS\) - Quincy, IL](#), [Tax Fairness on KTVO \(ABC\) - Ottumwa, IA](#), [Tax Fairness on WNWO \(NBC\) - Toledo, OH](#), [Tax Fairness on WRSP \(FOX\) - Champaign, IL](#), [Tax Fairness on KFXA-IOW \(FOX\) - Iowa City, IA](#), [Tax Fairness on WFXL \(FOX\) - Albany, GA](#), [Tax Fairness on WVAH \(FOX\) - Charleston, WV](#), and [Tax Fairness on WEYI \(NBC\) - Flint, MI](#).

Pfizer's Tax Rate 'Fiction' Exposed: Pays Less Than Everyone You Know -- Common Dreams

By Deirdre Fulton

November 10, 2015

The world's largest pharmaceutical company, which manufactures Viagra among other drugs, has cited high U.S. corporate tax rates as an argument in favor of a merger with Irish corporation Allergan. The business deal would likely take the form of what's known as a "corporate inversion," allowing Pfizer to renounce its U.S. tax citizenship while retaining its current U.S. headquarters, management structure, and facilities.

"Despite its self-serving claims, Pfizer is not at a competitive disadvantage operating under the U.S. tax system." —**Frank Clemente, Americans for Tax Fairness**

But the report from the coalition Americans for Tax Fairness—entitled [*Pfizer's Tax Dodging Rx: Stash Profits Offshore*](#) (pdf)—indicates that Pfizer's effective tax rate on its worldwide income was just 7.5 percent in 2014, compared with the 25.5 percent rate the company reported in its Securities and Exchange Commission (SEC) filings.

COLUMNS

Column: Sloan: Want to stop Corporate tax deserters? Start with this -- Washington Post

By Allen Sloan
December 2, 2015

Chief executive Ian Read claims Pfizer has to desert our country for tax purposes to be competitive with foreign firms. But according to two separate reports that I consider credible — one by **Americans for Tax Fairness**, the other by Robert Willens — Pfizer almost certainly pays considerably less U.S. corporate tax than it reports to shareholders.

Column: Samuelson: The multinational tax muddle -- Washington Post

By Robert J. Samuelson
December 2, 2015

The tax switch is called an “inversion.” Here’s how **Americans for Tax Fairness characterizes** Pfizer’s Irish inversion:

“With an inversion, Pfizer essentially would continue to enjoy all the benefits of being an American corporation but just not pay the taxes required for that privilege. Pfizer would not pay its fair share for its educated workforce; use of our transportation systems; the protections provided by our strong judicial, banking and regulatory systems; and so much more . . . ”

Column: Samuelson: The Multinational Tax Muddle has No Obvious Solution -- Kankakee Daily Journal (IL)

By Robert Samuelson
December 8, 2015

Column: Samuelson: Multinational tax muddle perplexes -- Worcester Telegram (MA)

By Robert J. Samuelson
December 7, 2015

Column: Samuelson: Multinational tax muddle perplexes -- Omaha World Herald (NE)

By Robert J. Samuelson
December 7, 2015

Column: Samuelson: Multinational tax muddle perplexes -- The Oregonian (OR)

By Robert J. Samuelson
December 5, 2015

Column: Samuelson: The multinational tax muddle -- Deseret News (UT)

By Robert J. Samuelson
December 3, 2015

Column: Tax avoidance is corporate America's way. So spare us Pfizer hypocrisy -- The Independent (London)

By Andrew Dewson
November 27, 2015

Meagre wages mean that almost all low-level Walmart employees are eligible for public assistance: according to the campaign group **Americans for Tax Fairness**, the company's employees claim around \$6.2bn per year in food stamps, housing assistance and other benefits.

Column: Pfizer's creative merger plan revives concerns about tax-avoiding 'inversions' -- Los Angeles Times

By Michael Hiltzik
November 17, 2015

A corporate tax dodge known as "inversions" had a moment in the spotlight about a year ago, when a number of such high-profile mergers got U.S. Treasury officials, politicians and voters steaming.

Pfizer has been among the nation's most aggressive exploiters of U.S. tax breaks by booking business expenses in the U.S. and shifting income abroad, according to critics such as **Americans for Tax Fairness**. In a report issued this month, the organization asserted that Pfizer's effective tax

rate last year actually was only 7.5%, not 25.5%. The discrepancy was due to "accounting fiction," including the reporting of "deferred taxes" that the company is unlikely to pay in the future.

Column: A Tax-Cutting Move That Pfizer Can Hardly Resist -- *New York Times*

By Jeff Sommer
November 15, 2015

Give Pfizer, the giant drug maker, points for boldness and persistence: The company has bravely put "tax inversions" back in the headlines.

Pfizer, which already holds roughly \$140 billion overseas and is quite skillful at minimizing its taxes, is considering a deal that could move its legal tax headquarters from New York to Dublin, where it could save bundles more.

This has drawn plenty of criticism, naturally. Last week, **Americans for Tax Fairness**, an advocacy organization affiliated with labor unions, issued a report accusing Pfizer of a pattern of global "tax dodging." Meanwhile, presidential candidates and members of Congress have repeatedly condemned inversions and the Treasury Department said it was studying ways to further tighten rules that discourage them.

OP-EDS

Op-ed: Congress can stop Pfizer from deserting America -- *The Hill*

By **Frank Clemente**, executive director of **Americans for Tax Fairness**
November 30, 2015

Congress deserves part of the blame for Pfizer's recent decision to desert America in a massive tax dodge. Using a gaping loophole in the U.S. tax code, the giant drug firm recently announced it will merge with Allergan, which is located in Ireland, a tax haven, to further reduce its already bargain-basement tax bill.

It's not the first time the New York-based pharmaceutical company has tried changing its corporate address to dodge U.S. taxes. But this time it looks like it will work. Despite more than a year's notice, Congress did nothing to prevent it.

Op-Ed: Pfizer's Latest Deal with Allergan to Lower Taxes is Worst Scam Ever -- *Northern Californian*

By Valentina Wilson
November 26, 2015

President Barack Obama calls the deal unpatriotic and has tried to crack down on practice. In order to defend itself, the US pharmaceutical giant said that it paid 25.5% tax rate on its global income in 2014. But, the real out-of-pocket tax rate for the company was found to be just 7.5% on investigation by the **Americans for Tax Fairness**.

LTES

LTE: Apple, Pfizer and those Shameful Offshore Tax Dodges -- *Tampa Bay Tribune*

By Bill Newton, deputy director **Florida Consumer Action Network**
December 30, 2015

What do the world's largest drug maker and the world's biggest tech company have in common? They exploit giant loopholes to dodge billions on their taxes and starve public services in Florida and around the country of much-needed revenue.

This, of course, creates a huge incentive to move all your money out of the U.S. to tax havens. Pfizer holds some \$140 billion offshore and would owe some \$50 billion in taxes on those profits if it weren't for this loophole. And that tax bill will be absolved if it is allowed to declare itself headquartered in Ireland. Apple stashed a record \$50 billion offshore in 2014 while paying a tiny 2.2 percent income tax on those profits.

LTE: Avoiding U.S. Corporate Taxes -- New York Times

By **Frank Clemente**, executive director of **Americans for Tax Fairness**
December 21, 2015

While I agree with Carl Icahn that the Pfizer-Allergan corporate inversion is a “travesty” (“[Bring the Corporate Tax Exiles Home](#),” Op-Ed, Dec. 14), his remedy will exacerbate the problems. Let’s be clear: Pfizer and other multinational corporations are not victims of our tax system, despite what Mr. Icahn suggests. They are experts at exploiting giant loopholes that save huge sums in taxes and starve public services of much-needed revenue.

As [we first reported](#), and [The Times confirmed](#), Pfizer has about \$140 billion in profits offshore on which it has paid no United States taxes. It’s likely that most of those profits have been booked in tax havens where Pfizer has paid little, if any, taxes. With an inversion Pfizer may dodge up to \$50 billion in taxes, assuming a 35 percent rate.

Mr. Icahn wants to let Pfizer off the hook with a tax bill that is about one-quarter that amount. He wants to do the same for the more than \$2 trillion in offshore profits that are currently untaxed here. Companies owe about \$600 billion on that money.

[Two dozen experts](#) recently noted that “there simply are no competitiveness concerns with a substantial tax rate on these old earnings.” Three-quarters of these profits are held by just 50 very profitable companies; more than one third by just 10 companies. Most of the profits are in tax havens with a tax rate of around 6 percent.

Congress needs to do two things: Make these companies pay what they owe — as other taxpayers do, and block corporate inversions by taking away the huge tax breaks that cause them.

FRANK CLEMENTE
Executive Director
Americans for Tax Fairness
Washington

LTE: Stop Giving Big Companies Sweet Tax Deals -- Press and Sun Bulletin (NY)

By Bonnie Mando, member of **Citizen Action New York**
October 28, 2015

It is not about tax-and-spend. It is about being hoodwinked by Wall Street bullies, Morgan Stanley and Bank of America, and corporations like GE, Verizon, Boeing, Apple, Wal-Mart, Pfizer, Google

who park their money in offshore subsidiaries to avoid U.S. taxes, get special loopholes and, in addition, get tax incentives. You are left paying their bills while your own bills go up.

The simple answer to all of our revenue problems is to simply make everyone pay their fair share. For those who profess “one nation,” why is that such a strange idea?

This is money desperately needed to make classrooms less crowded, rebuild roads and bridges, find new medical cures, make America energy-independent, and much more.

BLOG POSTS

Blog: Bad Medicine: Pfizer's Offshore Tax Trick Just Latest of Many -- Huffington Post

By **Frank Clemente**, executive director of **Americans for Tax Fairness**
November 25, 2015

Pfizer doesn't play pfair. The recent announcement that it would renounce its American identity and become an Irish company - thereby dodging billions of dollars in taxes - is just the latest in a string of shady deals and sleazy behaviors by the pharmaceutical giant.

Six years ago, Pfizer was hit with \$2.3 billion in criminal and civil penalties for peddling its drugs for unapproved uses. But if the company pled guilty to a felony, it couldn't go on selling drugs to the federal government (the feds have a rule against dealing with corporate felons).
