
The

HIGH PRICE OF TAX LOOPHOLES

Medical Research OR Tax Breaks for CEO Pay

Automatic across-the-board spending cuts known as the “sequester” slashed \$1.5 billion from the 2013 budget at the National Institutes of Health, which support research on life-threatening diseases. Meanwhile, a tax loophole allows huge corporations to duck \$2.5 billion in taxes each year by taking tax deductions for showering their CEOs with stock options.

Unemployment Benefits OR Tax Loopholes for Wall Street Traders

Due to \$2.4 billion in across-the-board federal spending cuts this year, Americans who have been unemployed for a long time have had modest weekly benefits averaging just \$289 cut by \$43 a week. Meanwhile, wealthy investors in risky financial products such as derivatives get special tax breaks that cost \$2.9 billion a year.

Head Start for Kids OR Tax Giveaways for Corporate Jets

Head Start, the early childhood education program for disadvantaged children, was cut by \$400 million in 2013, denying services to thousands of kids. On the other end of the economic spectrum, corporations get a special tax break worth \$370 million a year for owning private jets.

Better Education for Kids OR Tax Breaks for Hedge Fund Managers

Federal support for elementary, secondary and special education has plummeted by \$1.7 billion this year. Congress continues to protect the exorbitant incomes of Wall Street titans by taxing many of their earnings at a low 20 percent rate, rather than applying the top marginal income tax rate that is twice as high. This “carried interest” loophole costs \$1.7 billion a year.

Help Seniors Get Social Security OR Lower Taxes for Multimillionaires

Funds needed to handle Social Security applications and to process checks have been cut by \$286 million, causing significant delays in getting benefits to those who need them. Meanwhile, a provision in the tax code meant to encourage middle-class families to save for retirement is being used by extremely wealthy families to shelter tens of millions of dollars. Annual tax break: \$388 million.

Food for Low-Income Families OR Tax Subsidies for CEO Bonuses

House Republicans have announced a plan to kick 4 to 6 million Americans off the Supplemental Nutrition Assistance Program (SNAP), known as Food Stamps. The cuts total \$40 billion over 10 years. While poor kids would get less food, large corporations would continue to get tax deductions when they give their CEOs lavish “performance-based” bonuses. That tax loophole costs \$50 billion over 10 years.

Protect the Environment OR Give Tax Breaks to Oil Companies

The sequester cut \$4.6 billion in 2013 funding for agencies that conduct research and enforce regulations to protect the environment. But for decades, the tax code has provided special subsidies to highly profitable oil and gas companies, which cost \$4.6 billion a year.

Modernize Our Infrastructure OR Give Tax Breaks to Send Jobs Overseas

America’s infrastructure is crumbling, while other industrial nations continue to modernize. A robust investment of \$464 billion over five years in highways, bridges and other systems would create more than 2.6 million new jobs a year and provide for stronger long-term economic growth. But large corporations like Apple dodge their responsibility to support America’s infrastructure by hiding billions of dollars in offshore tax havens. Ending this huge loophole, known as “deferral,” would raise \$606 billion over 10 years.

Full report can be found here:
www.AmericansForTaxFairness.org/Tax-Tradeoffs

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