

Walmart on Tax Day: How Taxpayers Subsidize America's Biggest Employer and Richest Family

Executive Summary

On tax day, when millions of American taxpayers and small businesses pay their fair share to support critical public services and the economy, they will also get stuck with a multi-billion dollar tax bill to cover the massive subsidies and tax breaks that benefit the country's largest employer and richest family.

Walmart is the [largest private employer](#) in the United States, with [1.4 million employees](#). The company, which is number one on the [Fortune 500 in 2013](#) and number two on the Global 500, had [\\$16 billion in profits last year](#) on revenues of \$473 billion. The Walton family, which owns more than 50 percent of Walmart shares, reaps [billions in annual dividends](#) from the company. The six Walton heirs are the [wealthiest family in America](#), with a net worth of [\\$148.8 billion](#). Collectively, these six Waltons have [more wealth than 49 million American families](#) combined.

This report finds that the American public is providing enormous tax breaks and tax subsidies to Walmart and the Walton family, further boosting corporate profits and the family's already massive wealth at everyone else's expense. Specifically, our analysis shows that:

Walmart and the Walton family receive **tax breaks and taxpayer subsidies estimated at more than \$7.8 billion a year** – that is enough money to hire 105,000 new public school teachers

The annual subsidies and tax breaks to Walmart and the Waltons include the following:

- **Walmart receives an estimated \$6.2 billion annually in mostly federal taxpayer subsidies.** The reason: Walmart pays its employees so little that many of them rely on food stamps, healthcare and other taxpayer-funded programs.
- **Walmart avoids an estimated \$1 billion in federal taxes each year.** The reason: Walmart uses tax breaks and loopholes, including a strategy known as accelerated depreciation that allows it to write off capital investments considerably faster than the assets actually wear out.
- **The Waltons avoid an estimated \$607 million in federal taxes on their Walmart dividends.** The reason: income from investments is taxed at a much lower tax rate than income from salaries and wages.

In addition to the \$7.8 billion in annual subsidies and tax breaks, **the Walton family is avoiding an estimated \$3 billion in taxes** by using specialized trusts to dodge estate taxes – and this number could increase by tens of billions of dollars.

Walmart also benefits significantly from taxpayer-funded public assistance programs that pump up the retailer's sales. For example, **Walmart had an estimated \$13.5 billion in food stamp sales last year.**

Table of Key Findings

ESTIMATED ANNUAL SUBSIDIES AND TAX BREAKS TO WALMART AND THE WALTON FAMILY	
WALMART	COST TO TAXPAYERS
Cost to taxpayers of Walmart workers relying on public assistance programs due to low wages and benefits (p. 5)	\$6.2 billion
Cost of federal tax breaks benefitting Walmart (p. 5)	\$1 billion
Cost of direct economic development subsidies by state and local governments (p. 6)	\$70 million
WALTON FAMILY	COST TO TAXPAYERS
Cost of preferential tax rate on Walmart dividends claimed by the Walton family (p. 7)	\$607 million
ANNUAL TOTAL	\$7.8 billion
Estimated number of teachers that could be hired with \$7.8 billion (p. 8) 105,131	
ESTIMATED ONE-TIME TAX BREAKS TO THE WALTONS	
Cost of tax avoidance by Walton family through use of special estate tax trusts (p. 8)	\$3 billion potential for additional tens of billions
OTHER TAXPAYER-FUNDED BENEFITS TO WALMART	
Estimated annual revenue from food stamp sales (p. 5)	\$13.5 billion



[Americans for Tax Fairness](#) is a diverse coalition of 400 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.