

# CORPORATE TAX DODGER

ExxonMobil, America's largest company, has made a killing from rising world oil prices and its investments in fracking, but it has also enjoyed massive taxpayer subsidies from corporate tax loopholes.

- ExxonMobil had a three-year federal income tax rate of just 15%, less than half the official 35% corporate tax rate. This gave the company a tax subsidy worth \$6.2 billion from 2010-2012.
- In 2009, ExxonMobil reported \$2.5 billion in U.S profits and got a federal tax rebate of \$954 million.
- ExxonMobil had \$43 billion in offshore profits at the end of 2012, on which it paid no U.S. taxes.
- When ExxonMobil finally settled legal claims from the Exxon Valdez spill in Alaska, deducting the cost of the settlement reduced the company's tax bill by half a billion dollars, which other taxpayers paid for. ExxonMobil spent \$193 million lobbying Congress over the last 15 years. Taxes topped the company's list of lobbying issues in 2012.

## AFTER A CENTURY, TAX CODE STILL GUSHING WITH OIL COMPANY SUBSIDIES

The first oil company subsidies were adopted a century ago. Today, oil companies are among the most profitable corporations in America, with ExxonMobil alone reporting global profits of [\\$44.9 billion in 2012](#). Despite these extravagant profits, the U.S. continues to give more than [\\$4 billion](#) a year in tax subsidies to energy producers.

Subsidies are one of the reasons ExxonMobil has paid less than half the official U.S. corporate income tax rate of 35%. Between 2010 and 2012, ExxonMobil reported more than \$30 billion of U.S. pre-tax income and paid \$4.6 billion in corporate income taxes, according to its [Securities and Exchange Commission filings](#). That's a tax rate of just 15% compared to the official corporate tax rate of 35%. This tax subsidy cut ExxonMobil's taxes by \$6.2 billion over three years. In 2009, ExxonMobil got an even better deal when the company reported \$2.5 billion in U.S profits and got a federal tax rebate of \$954 million, according to [Citizens for Tax Justice](#).

ExxonMobil had also accumulated [\\$43 billion](#) in offshore profits by the end of 2012, on which it paid no U.S. taxes. Nearly one-third ([29 of 92](#)) of ExxonMobil's foreign subsidiaries are registered in tax-haven nations that impose little to no tax on corporate profits.

ExxonMobil also aggressively seeks state tax subsidies. In Louisiana, where the company operates refineries and chemical plants, it received \$136 million in property tax abatements in 2011, according to [Subsidy Tracker](#), a project of Good Jobs First. The state of Louisiana also issued more than \$500 million in tax-exempt bonds on behalf of ExxonMobil.

## **U.S. TAXPAYERS PAID FOR HALF OF EXXONMOBIL'S PENALTY FOR THE EXXON VALDEZ DISASTER**

ExxonMobil has also taken advantage of loopholes that allow corporations to deduct the costs of their malfeasance as an "ordinary business expense." After two decades of stalling in court, ExxonMobil settled claims in 2011 arising from the 1989 ecological tragedy that occurred when the Exxon Valdez ran aground in Alaska's Prince William Sound. Under the settlement, ExxonMobil paid \$1.1 billion, but after tax deductions the [company wound up paying just \\$524 million](#). Taxpayers picked up more than half the cost of the damages caused by ExxonMobil's impaired crew.

## **DRILLING FOR TAX LOOPHOLES IN D.C.**

ExxonMobil has spent more than [\\$193 million](#) lobbying Congress over the last 15 years, according to OpenSecrets.org. That's nearly \$65,000 every working day for a decade and a half. [Taxes topped ExxonMobil's list of lobbying issues in 2012](#). The company lobbied on 112 tax bills between 2007 and 2009, according to the [Sunlight Foundation](#).

ExxonMobil CEO Rex Tillerson is a member of the [Business Roundtable](#), a club of large company chief executives that is leading the charge for corporate tax cuts and for raising the Social Security retirement age from 67 to 70— [a benefit cut of 20%](#).

## **CEO TILLERSON DOESN'T NEED TO WORRY ABOUT HIS SOCIAL SECURITY, AS EXXONMOBIL'S TAX SUBSIDIES PAD HIS POCKETS**

With tax subsidies boosting corporate profits and corporate profits boosting CEO pay, ExxonMobil paid Tillerson [\\$35.9 million in 2011](#), nearly \$100,000 a day including weekends! Tillerson's ExxonMobil retirement account totaled [\\$56.2 million](#) at the end of 2011, enough to provide him with a monthly retirement check of \$318,380, starting at age 65. In contrast, [the average Social Security retiree receives a check for \\$1,265 a month](#).

## **EXXONMOBIL'S JOB DESTRUCTION HARMS THE ECONOMY**

Since, the year before [Exxon](#) and [Mobil](#) merged, the company has slashed its global workforce by 36%, eliminating more than 43,000 jobs. In just the last three years, ExxonMobil has cut [6,700 jobs](#), reducing its workforce by 8% and exacerbating the American jobs crisis.

*Methodology: Sources for corporate income taxes, employment and executive compensation are explained here. [www.americansfortaxfairness.org/baseball-methodology](http://www.americansfortaxfairness.org/baseball-methodology).*