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CORPORATE TAX DODGER

General Electric, America's sixth-largest corporation, makes more money from finance than from light bulbs these days, but aggressive tax-dodging is the core of its business model.

- **GE made $88 billion over the last 11 years but used corporate tax loopholes and offshore tax havens (where it has stashed $108 billion) to reduce its federal income tax rate to just 2.4%. GE received a tax subsidy of nearly $29 billion over the 11 years.**
- **In four of those years, GE reported more than $22 billion in U.S. profits, yet paid no federal income taxes and received $4.8 billion in tax rebates.**
- **While dodging paying its fair share of federal income taxes, GE pocketed $21.8 billion in taxpayer-funded contracts from Uncle Sam between 2006 and 2012.**
- **GE's CEO plays a leading role in coalitions that want to cut corporate taxes, cut Social Security, and raise the retirement age from 67 to 70. His $59 million GE retirement account is enough to provide him with a $336,007 retirement check each month.**
- **GE has eliminated more than 15,000 American jobs since 2004, while adding 30,000 jobs overseas during that time.**

GE'S 975-PERSON TAX DEPARTMENT HAS TURNED TAX AVOIDANCE INTO AN ART FORM

GE's corporate tax return is so loaded with deductions and tax credits that it totaled more than 57,000 pages in 2011. Over the last 11 years (2002-2012), GE reported more than $88 billion in U.S. pre-tax profits and yet paid just $2.1 billion in federal income taxes, according to company filings with the Securities and Exchange Commission (SEC). GE paid a paltry tax rate of just 2.4% compared to the official corporate tax rate of 35%. This huge tax subsidy cut GE's taxes by $28.9 billion over the 11 years.

In four of those years (all profitable), the company reported $22.5 billion in U.S. profits, yet paid no federal income taxes and received $4.8 billion in tax rebates, according to Citizens for Tax Justice.

Eighteen of GE's 50 foreign subsidiaries are registered in offshore tax havens. Last year, GE reported that it had socked away $108 billion in profits offshore, the largest untaxed foreign stash of any U.S. corporation.

One of the major reasons GE pays so little in taxes is a particular offshore tax loophole known as the "Active Financing Exception," which, as its official name indicates, is an exception to the normal rules that don't allow corporations to shift profits overseas to avoid paying U.S. taxes.

Congress axed this loophole in 1986, but GE led a fierce lobbying effort to bring it back in 1997. That year it passed as a one-year temporary measure. Congress has renewed it seven times since, most recently in January 2013 as a part of the large corporate tax giveaway that was in the "fiscal cliff" deal (the same giveaway that rewarded NASCAR track owners and Puerto Rican rum producers).

WHILE DODGING TAXES, GE POCKETS LUCRATIVE TAXPAYER-FUNDED CONTRACTS

GE raked in $21.8 billion in federal contracts from 2006 to 2012, according to the federal government, putting the company in the top 25 year after year. The bulk of its business is with the military, providing jet engines and other aircraft components.

GE HAS NOT JUST SHIFTED PROFITS OFFSHORE, BUT ALSO U.S. JOBS

Big companies like to argue that they would hire lots more U.S. workers if only they didn't have to pay so much in taxes. GE proves that a very low tax rate does not provide the incentive to create jobs at home. Since 2004, GE has cut its U.S. workforce by more than 15,000, while adding about 30,000 jobs overseas, according to the company's annual reports filed with the SEC.

GE'S CEO LEADS THE CHARGE FOR CORPORATE TAX CUTS AND SOCIAL SECURITY CUTS

As the long-time head of President Obama's Council on Jobs and Competitiveness, Jeff Immelt has enjoyed even greater access to the President than other business executives. He is also on the Steering Committee of Fix the Debt, a heavily funded campaign of more than 100 CEOs who are advocating cuts to Social Security and Medicare, and a shift to a "territorial tax system" that would allow corporate offshore profits to be forever U.S. tax-free, thereby encouraging the shipment of profits and jobs overseas. Immelt is also part of another CEO club, the Business Roundtable, which wants Congress to cut corporate taxes and raise the Social Security retirement age from 67 to 70 – a benefit cut of 20%.

IMMELT NEEDN'T WORRY ABOUT HIS RETIREMENT SECURITY – BUT HIS EMPLOYEES SHOULD WORRY ABOUT THEIRS

Jeff Immelt's GE retirement accounts were worth $59.3 million at the end of 2012. That can assure him a monthly retirement check of $336,007 starting at age 65. The average Social Security retiree check is just $1,265 a month. In contrast to its gilded CEO retirement, GE's worker pension fund is underfunded by $24 billion, the largest pension deficit in corporate America. After 24 years of not putting a dime into its pension fund, federal law required the company to begin to close this funding gap. GE responded by closing its pension fund to new participants in 2011, shifting new hires to a cheaper, less secure 401(k) plan.

GE, A TOP WASHINGTON LOBBYIST, MAKES CORPORATE TAX CUTS ITS HIGHEST PRIORITY

GE is consistently ranked among the top five federal corporate lobbyists. Over the last 15 years, GE has spent more than $284 million lobbying Congress, an average of $100,000 every working day for the last decade and a half. During the last two years, GE's top legislative priority was winning renewal of the "active financing exception" tax loophole profiled above.

Methodology: Sources for corporate income taxes, employment and executive compensation are explained here. http://www.americansfortaxfairness.org/baseball-methodolgy/.