



For Immediate Release

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## **PHARMACEUTICAL GIANT ABBVIE ADDS ANOTHER \$5 BILLION IN STOCK BUYBACKS TO BENEFIT CEO, WEALTHY SHAREHOLDERS**

*Maker of Popular Arthritis Drug Humira That Costs Patients \$38K Per Year  
Pays a 9% Corporate Tax Rate, Reports No U.S. Profits*

WASHINGTON, D.C. – After raising the price of its best-selling drug 100% over the past six years and paying a corporate tax rate of just 9%—courtesy of the Trump-GOP tax cuts—pharmaceutical giant [AbbVie yesterday announced](#) the authorization of another \$5 billion repurchase of its stock, a move that will boost its share price and enrich its CEO and wealthy shareholders.

The repurchase brings the company’s authorized stock buybacks in 2018 to \$15 billion, placing the company in [a tie for 11<sup>th</sup> place](#) on ATF’s list of corporations announcing stock buybacks since passage of the Trump-GOP tax cuts, which now total a record \$863 billion—120 times more than the [\\$7.1 billion corporations are spending on worker pay and bonuses](#) related to the tax cuts. The trend led Republican Sen. Marco Rubio to blast the tax cuts he voted for [in a Tweet yesterday](#): “When corporation uses profits for stock buy back it’s deciding that returning capital to shareholders is better for business than investing in their products or workers. Tax code encourages this.”

AbbVie’s buyback is the latest and perhaps the most egregious example of a company using its tax cut windfall to benefit its wealthy shareholders instead of giving pay raises for its workers or cutting the price of its product. The company’s major product, the anti-inflammatory drug Humira, is the [best-selling prescription medication in the world](#). The price of Humira has risen 100% since 2012—from about \$19,000 a year in 2012 to more than \$38,000 today, per patient, after rebates, according to SSR Health, a research firm.

“AbbVie is the most outrageous example of a corporation that received a windfall of billions of dollars from the Trump-GOP tax cuts and instead of spreading the wealth with its workers or lowering the price of its popular medicine, it simply put the money into the pockets of its CEO and shareholders,” said Frank Clemente, executive director of Americans for Tax Fairness. “What more evidence do we need to show that the Trump-GOP tax cuts have done little or nothing for working families and were designed solely to enrich the already wealthy?”

AbbVie’s Chief Executive Richard Gonzalez—who last year [earned \\$22.6 million](#) in salary and other compensation—[told investors earlier this year](#) that because of the Trump-GOP tax cut law the U.S. drug maker expects its tax rate to fall to 9% this year from around 22% in recent years. That ranks among the lowest tax rate of the companies in the S&P 500, according to Credit Suisse.

That low tax rate is possible because [AbbVie registers most of the patents for Humira in Bermuda](#), a country that does not tax corporate profits, according to a Reuters analysis. “Despite recording over half its \$28.2 billion in 2017 sales in the United States and basing most of its research facilities there, the suburban Chicago company has never reported a profit in its home country, its annual reports show,” according to Reuters.

Companies that shifted profits linked to U.S. sales, research or production previously had to pay U.S. taxes on the money at the rate of 35% when they brought those profits home. The new tax bill cuts the overall corporate tax rate to 21%, and [allows income from offshore to be taxed at about half that rate](#).

Between 2013 and 2016 AbbVie paid around \$1 billion a year of taxes when it repatriated profits reported by foreign subsidiaries. But due to the Tax Cuts and Jobs Act, AbbVie will no longer pay such taxes, according to Reuters. Despite claims by the bill’s proponents that it would discourage the shifting of profits earned in the United States, the law still allows companies to benefit strongly from profit shifting.

Humira generated more than \$12 billion in sales in 2017 from patients in the United States, where the most common dose has a list price of about \$60,000 a year, according to Reuters. Its tax savings in 2018 could top \$1.3 billion and it will get another long-term tax cut of nearly \$3.9 billion on its \$29 billion in offshore profits, according to an ATF report, “[Bad Medicine: How GOP Tax Cuts Are Enriching Drug Companies, Leaving Workers and Patients Behind.](#)”

[ATF’s list of corporations authorizing stock buybacks](#) since passage of the Trump-GOP tax cuts:

1. Apple, \$100B
2. Wells Fargo, \$40.6B
3. Qualcomm, \$28.8B
4. Cisco Systems, \$25B
5. Oracle, \$24B
6. J.P. Morgan Chase & Co., \$20.7B
7. Bank of America, \$20.6B
8. Facebook, \$18B
9. United Health Group, \$17.65B
10. Citigroup, \$17.6B
11. Tie: Humira, Intel, Nike, PepsiCo, \$15B each

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