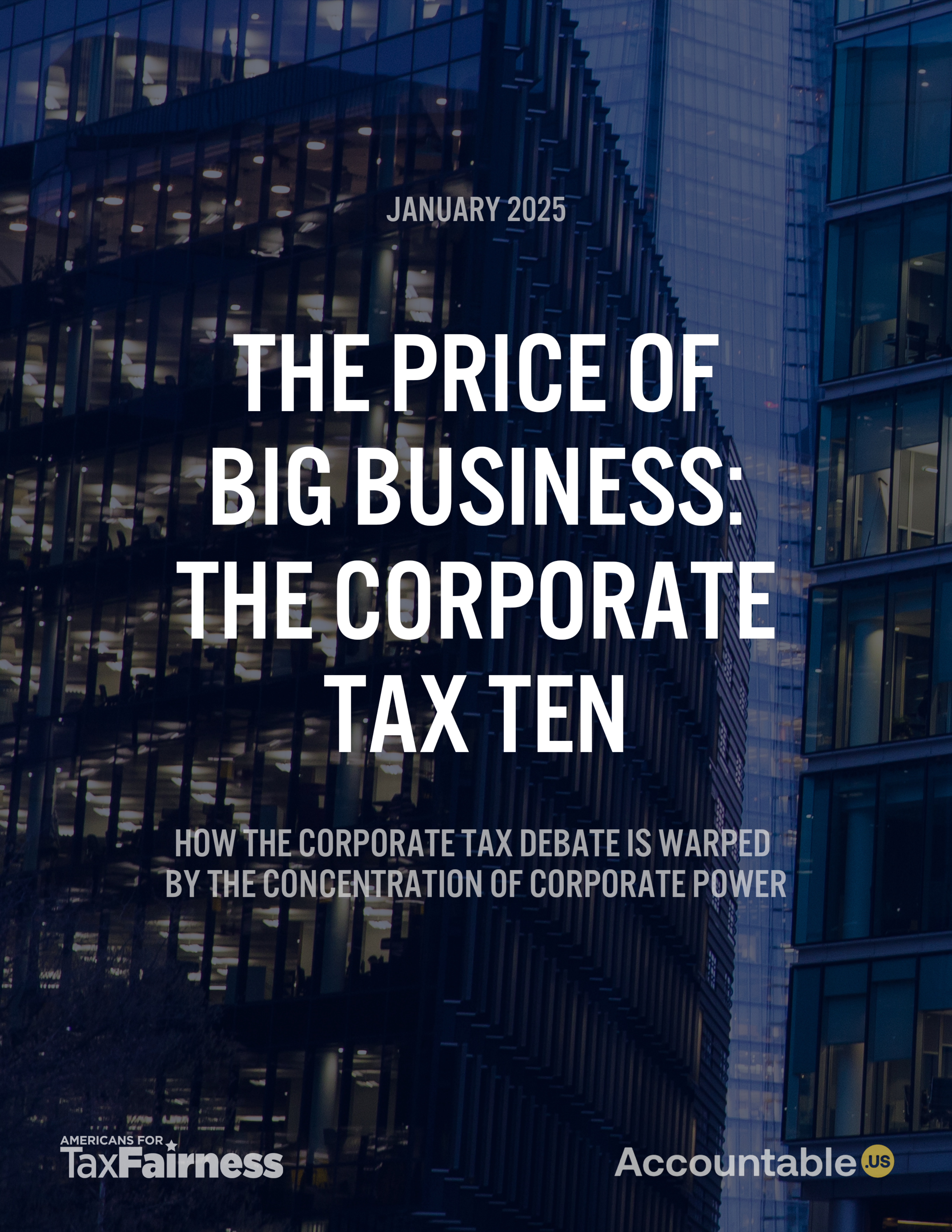


JANUARY 2025

THE PRICE OF BIG BUSINESS: THE CORPORATE TAX TEN

HOW THE CORPORATE TAX DEBATE IS WARPED BY THE CONCENTRATION OF CORPORATE POWER

AMERICANS FOR TaxFairness

Accountable.US

ACKNOWLEDGMENTS

AUTHORS
Bradford Tshefu-Rollinger, Research Manager, Economic Security & Corporate Power (ESCP), Accountable.US; Ryan Summers, Senior Researcher, ESCP, Accountable.US; William Rice, Senior Writer, Americans for Tax Fairness (ATF)

RESEARCH
Bradford Tshefu-Rollinger, Accountable.US; Ryan Summers, Accountable.US; Zachary Tashman, Senior Research and Policy Associate, ATF; William Rice, ATF

REPORT DESIGN
Andrea Haverdink

EDITORS
Liz Zelnick, Director, ESCP, Accountable.US; William Rice, ATF

ACCOUNTABLE.US is a nonpartisan, 501(c)3 organization that shines a light on special interests that too often wield unchecked power and influence in Washington and beyond. We conduct in-depth investigations to expose conflicts of interest and then share our findings with the media, public, policymakers, and allies in real-time. We fill a distinct and critical role by holding corporations and public officials accountable for their actions. Our work helps create an economy that works for everyone, a democracy that functions, and a sustainable environment for future generations.

AMERICANS FOR TAX FAIRNESS (ATF) is a diverse campaign of more than 420 national, state and local endorsing organizations united in support of a fair tax system that works for all Americans. It has come together based on the belief that the country needs comprehensive, progressive tax reform that results in greater revenue to meet our growing needs. This requires big corporations and the wealthy to pay their fair share of taxes, not to live by their own set of rules. ATF is a project of the New Venture Fund—a section 501(c)(3) non-profit organization.

SUMMARY

- A handful of huge corporations—including such familiar names as Apple, JP Morgan Chase and Microsoft—make a disproportionate share of national profits; pay a big chunk of corporate taxes, though at low rates; and have the most to gain or lose from changes in tax policy.

- The top 10 U.S. corporations in the 2023 global Fortune 500 generated almost half (46%) of the total profits of all the 136 American companies on the list.

- Just 10 corporations paid an estimated 15% of all corporate taxes paid by almost 600,000 companies in 2021.

- Over half the benefit of the loopholes and special breaks in the corporate tax code—over $150 billion worth—went to just 25 companies between 2018-22.

- The American public should be aware that the debate over corporate tax policy is less about national economic impact—as corporate lobbyists tend to insist—and more about the narrow profit interests of a few mammoth corporations.

- This is an important realization because it is the American people who lose when corporations succeed in keeping their taxes low: through cuts to public services because of the lost revenue; widening income and wealth gaps from increased corporate profits and stock prices; and in the growth of concentrated corporate power.

INTRODUCTION

Opponents of higher corporate taxes often argue that it's not really corporations–and ultimately their wealthy executives and shareholders–who pay the price. They claim we're all hurt by increased corporate tax collections and are helped by lower ones through the impact on our jobs, communities, retirement savings, and the economy as a whole.

While corporate taxation does have ripple effects, the reality is that it is the owners of the corporations and their highest-paid employees (the firms' stockholders and top executives) who absorb the most immediate and largest costs–as they should. It's therefore the company insiders—including foreigners who own 42% of total corporate equity—who have the most reason to seek corporate tax cuts and resist any hikes. And it is working families who benefit when tax revenue increases and suffer when it declines because of the effect on public services, public debt, and the taxes the rest of us pay.

But the impact of the U.S. corporate income tax is actually even narrower than the whole universe of American corporations. Because of the great and growing concentration of corporate wealth and power, fewer and fewer megafirms pay the lion's share of the total collected; grab most of the benefit when corporate taxes are cut; and work the hardest to prevent rates being raised or loopholes closed. The fight to lower corporate taxes is really their private fight, for their own narrow interests–not, as they often portray it, a selfless struggle on behalf of workers, the economy, or our nation.

Almost 600,000 corporations paid a total of around $370 billion in corporate income tax in 2021 (one of the most recent years with available data). But it's estimated that around 15% of that total was paid by just 10 companies. The concentration of corporate taxpayers extends further down the list: IRS data shows that in 2020 fewer than 400 corporate taxpayers reported 70% of all taxable income; just 2.2% of all corporate taxpayers that year accounted for almost all (95%) of all such income.

Of course, just because these few companies paid a disproportionate share of corporate taxes does not mean that they paid enough. Apple alone, for instance, is estimated to have paid more than one of every 50 dollars in corporate taxes collected in 2021. Yet according to another estimate (see report data), it paid a tax rate of just 14.2% that year. That's almost a third less than the statutory corporate tax rate of 21%–and a lower rate than the average American family paid in 2021 (14.9%). Median household income that year was about $80,000, while Apple racked up $39 billion in profits. To take another example: Microsoft is estimated to have paid three out of every hundred dollars collected, but paid a tax rate of just 18% on $46 billion in earnings.

In other words, the reason these tax payments by the biggest payers represent such a high share of the total is not that they're paying so much but because we're demanding so little.

Another indication that the corporate-tax system is dominated by just a few companies is the way the payoffs from corporate tax breaks are distributed. The Institute for Taxation and Economic Policy (ITEP) has calculated total "tax subsidies" for 342 large profitable companies for the five years 2018-22: the difference between what they would owe over that period without special breaks in the tax code and what they actually paid with them in place. Well over half the subsidies in the study—more than $150 billion worth—went to just 25 companies. The Center for American Progress estimates that of the $48 billion 100 large corporations would save annually if the corporate tax rate were cut to 15%, nearly half ($23 billion) would go to just 10 of those firms.

ITEP also estimated that just two companies—Meta Platforms (owner of Facebook) and Microsoft—would split between them over one-third (38%) of the benefit if an expired research-expense loophole were restored. Just six corporations in total would scoop up nearly 60%—or almost $14 billion-worth—of the cash flowing from this one tax break.

There are other ways to measure the concentration of corporate power. The top 10 U.S.

> “ **A HANDFUL OF HUGE CORPORATIONS HAVE THE MOST TO GAIN OR LOSE FROM CHANGES IN TAX POLICY.**

> “ IT’S REALLY JUST A HANDFUL OF HUGE CORPORATIONS VERSUS ALL THE REST OF US.

corporations in the 2023 global Fortune 500 generated almost half (46%) of the total profits of all the 136 American companies on the list.

As of late June 2024, just seven stocks made up almost a third (31%) of the total value of the S&P 500 stock index. Dubbed “The Magnificent Seven”, this tiny fraction of the index was responsible for over half the S&P’s market gain in 2023.

Certain well-known names show up on many of these lists, such as Alphabet (owner of Google), Apple, Meta Platforms, Microsoft, and Pfizer. They will be the ones spearheading the opposition to higher corporate taxes in the coming year—and will be doing so with particular ferocity because even some members of the Republican Party, usually Corporate America’s champion, support the idea of taxing corporations more.

We’ve used the above rankings and other criteria to identify the corporations with the most at stake in the upcoming tax battle—we call them the “Corporate Tax Ten”. Those of us who want to see corporations pay a fairer share of taxes would do well to focus our attention on them: their lobbying, their public relations, their overall attempts to make their interest in the tax battle seem like it’s about more than their profits, stockholders and top executives.

How much we tax corporations should be a matter of national interest, not dependent on the profit targets of a handful of mammoth companies. Yet the reality is that the battle over corporate taxes is really a very small scrimmage of very big players—the rest of us, including the vast majority of corporations, have essentially been relegated to the role of onlookers. We the people should reject that role, though, because we have a big stake in who wins the game: the long-term fiscal health, economic equality and broad-based prosperity of our entire country all hinge on it. Knowing it’s really just a handful of huge corporations versus all the rest of us, we can more strategically and effectively take on the “Corporate Tax Ten.”

THE CORPORATE 'TAX TEN'

CHECK MARK MEANS THE COMPANY IS AMONG NATIONAL LEADERS IN THE INDICATED CATEGORY

					Top Beneficiaries of Individual Tax Breaks				
CORP.	**SHARE OF TOTAL TAXES PAID** (2021-22)	**TAX SUBSIDIES RECEIVED** (2018-22)	**LOW TAX RATE** (2018-22)	**PROFITS: -2023** (Top 10) **-2024** (>$10B)	**15% Rate**	**FDII**	**R&D**	**Depre-ciation**	**STOCK MARKET CAP** (2024)
Alphabet	✓			✓	✓	✓		✓	✓
Apple	✓	✓		✓	✓	✓			✓
Bank of America		✓	✓	✓					
Citigroup		✓	✓						
Comcast	✓	✓			✓				
GM		✓	✓				✓	✓	
JP Morgan Chase	✓		✓	✓	✓				
Meta				✓	✓	✓	✓	✓	✓
Microsoft				✓	✓	✓	✓		✓
Pfizer	✓			✓		✓			

EXPLANATIONS & SOURCES:
Share of Total Taxes Paid: Estimated to be among the 10 U.S. corporations that averaged the most federal income tax paid in 2021 and 2022 (Fortune); **Tax Subsidies Received:** Among the 25 corporations that received the most benefit from loopholes and special breaks in the corporate tax code, 2018-22 (Institute on Taxation & Economic Policy [ITEP]); **Low Tax Rate:** Among the 55 corporations that paid a cumulative tax rate under 5%, 2018-22 (ITEP); **Profits:** Among the top 10 most profitable corporations in 2023, according to Fortune data (Grow & Convert); or among the 34 corporations that earned over $10 billion in 2024 (Americans for Tax Fairness); **Individual Tax Breaks:** *15% Tax Rate* - Estimated biggest beneficiaries from a proposed cut in the corporate tax rate to 15% (Center for American Progress); *FDII* - Among the 15 corporations that saved the most from the Foreign Derived Intangible Income tax break (ITEP); *R&D* - Among the six corporations estimated to save the most on their 2022 taxes from a retroactive return to R&D expensing (ITEP); *Depreciation* - Among the 25 corporations that saved the most from bonus depreciation, 2018-22 (ITEP); **Stock Market Cap:** Member of the so-called "Magnificent 7" corporations with the highest market value in 2024 (CNBC); or otherwise among the 10 highest-valued corporations (The Motley Fool).

NOTE: Other famous companies failed to make the "Corporate Tax 10" because there is insufficient information on their finances and/or taxes. Warren Buffett's Berkshire Hathaway, for instance, does not separately report domestic taxes; while Amazon and Exxon Mobil were excluded from the key ITEP report on corporate tax payments because they were not profitable every year between 2018 and 2022.

THE CORPORATE TAX TEN

ALPHABET (GOOGLE)

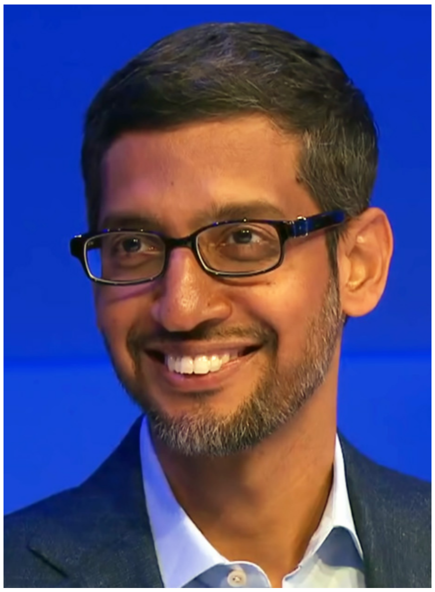
The company originally called Google was founded in 1998 as an innovative search engine that quickly became so dominant in the field that its name became a verb for online search. It has since also become the largest online advertising platform: in 2023, over one quarter (26.8%) of all digital advertising revenue went to Alphabet.

In 2023, Alphabet alone brought in around one-fifth of all the profits earned by the 136 highest-earning American corporations—or about $100 billion for that one company. It's estimated that in 2021 and 2022, Alphabet paid on average about $13.6 billion in federal income taxes—about one of every 20 dollars paid altogether by some 600,000 corporations in 2021. The company averaged around $76 billion in profits those two years.

The 2017 Trump-GOP tax law created a lower tax rate for corporate income that comes from intangible assets–patents, copyrights and other kinds of intellectual property–held in the United States that generate overseas sales. The law dubs this type of earnings Foreign Derived Intangible Income (FDII). The way the law is written, companies get a bigger FDII tax break the less physical plant like stores and factories they maintain in this country. Thus the FDII loophole is a spur to offshoring.

Of the over $50 billion the top 15 corporate beneficiaries of the FDII loophole have received over the first six years of the Trump law, almost one-quarter (23.8%, or nearly $12 billion) was reaped by Alphabet alone.

Alphabet was also one of the biggest winners from another Trump-law loophole: "bonus depreciation". This special break allows companies to write off the full cost of big-ticket items like buildings, machinery and vehicles instead of over time, which better reflects their slow loss of value. Over the first five years of the Trump tax law, Alphabet saved $6 billion in taxes thanks to this one loophole, about 9% of the savings enjoyed by the 25 big firms that gained the most.



Alphabet CEO Sundar Pichai

If Donald Trump's goal of a 15% corporate tax rate were already in effect, Alphabet alone would have saved $3.5 billion on its taxes in the most recent annual reporting period. That figure would have represented about one of every 14 dollars of the combined tax savings of the 100 biggest American corporations.

Good relations with Donald Trump is key to avoiding a corporate tax hike. Alphabet and Google CEO Sundar Pichai was one of several tech executives who "started reaching out to Mr. Trump directly in the weeks and months before the first ballot was cast," according to New York Times reporting. In late October 2024, Trump claimed during an interview with Joe Rogan that Pichai had reached out to congratulate him on his viral McDonald's appearance, with Trump further claiming Pichai had called it "one of the biggest things we've seen on Google."

Pichai reportedly called Trump after the election to congratulate him on his win, with Elon Musk—the world's richest person whom Trump has tapped to cut federal spending—also listening in on the call. The Alphabet chief also wrote on X, "Congratulations to President @ realDonaldTrump on his decisive victory. We are in a golden age of American innovation and are committed to working with his administration to help bring the benefits to everyone."

Alphabet is one of the "Magnificent Seven" stocks that dominate the top market indexes. As of May 2024, the shares of this one company represented over 4% of the value of the entire S&P 500 index.

The company's founders, Sergei Brin and Larry Page, are among the 10 wealthiest people in the world, each recently worth over $130 billion.

Alphabet has spent roughly $130 million on lobbying the federal government over the past 10 years—including $82.3 million lobbying just since the enactment of the Trump law on tax issues such as "international tax reform," "digital services taxation," and "Tax Cuts and Jobs Act (TCJA)/ foreign-derived intangible income (FDII) Permanency". It is also a member of the Business Roundtable, one of the biggest corporate lobbying groups advocating no rise in the corporate tax rate and the maintenance or recovery of various corporate tax breaks in the negotiations over the expiring Trump tax cuts.

APPLE

Tech titan Apple was the first corporation to be worth $3 trillion, a milestone it reached in the summer of 2023. As of mid-November 2024, it was worth 10% more.

Though it began in 1976 as a niche computer company, its largest revenue producer now is the iPhone, which is responsible for more than half of the firm's total sales. The iPhone and Android systems (owned by Alphabet) have been the only two competitors in the U.S. smartphone market for the past 10 years.

Apple made $100 billion in profits in 2023–over 9% of all the profits made by all the corporations in the whole country. This one company paid about 2% of all the corporate taxes collected from all sources in 2021 and 2022. But it paid a tax rate of just 14.2% in that first year–a lower rate than the average American family paid (14.9%).

The reason Apple pays such a low rate on such huge profits is that it is one of the biggest beneficiaries of all the loopholes and special breaks in the corporate tax code. Over the first five years of the Trump tax law, Apple alone pocketed over $9 billion in tax-reducing subsidies–one of just 25 firms that grabbed well over half the overall benefits. A big chunk of Apple's tax savings came from just one loophole: the so-called FDII deduction. Apple cut its takes by almost $2 billion with this one special break over the first six years of the Trump law. It was among 15 corporations that together trimmed over $50 billion from their tax bills thanks to FDII.

Apple would have saved another $2.7 billion in one year alone if Donald Trump's goal of a 15% corporate tax rate were in effect during the most recent annual reporting period. That would have represented over 5% of the overall tax savings of the 100 biggest American companies.

Apple CEO Tim Cook was among the corporate chiefs the New York Times reported had "started reaching out to Mr. Trump" to build a relationship in the months before Election Day. In October 2024, Trump claimed he received a call from Tim Cook to discuss the CEO's "concerns about the financial penalties that have been imposed by the European Union on [Apple]." Trump reported that during this call he promised that, if elected, "I'm not going to let them take advantage of our companies."

Following the election results, Cook wrote on X, "Congratulations President Trump on your victory! We look forward to engaging with you and your administration to help make sure the United States continues to lead with and be fueled by ingenuity, innovation, and creativity."

Since the passage of the 2017 Trump-GOP tax law, Apple has spent $52.6 million lobbying the federal government, including on tax issues such as "corporate tax reform implementation." Apple is a member of the Business Roundtable; CEO Cook is on the corporate lobbying group's board and chairs its immigration committee. The Roundtable consists of the CEOs of some of the nation's largest companies and said it would be "putting its full weight behind protecting and strengthening" the Trump tax law.

Apple CEO Tim Cook shakes hands with former President Donald Trump

BANK OF AMERICA

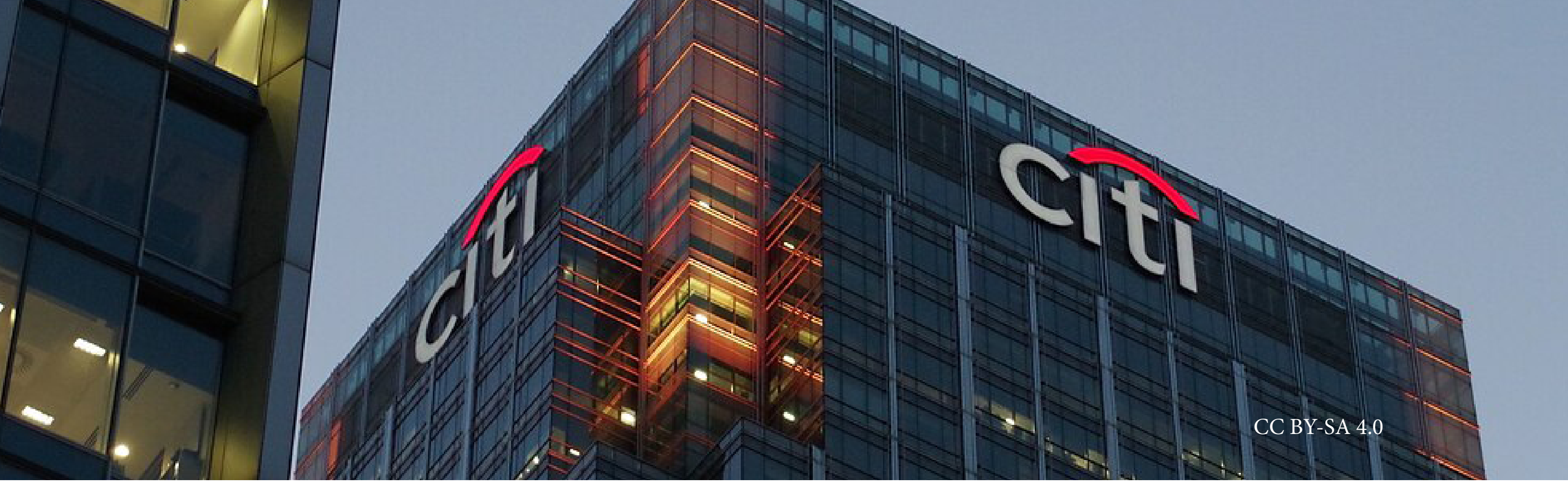
Founded 120 years ago in California, Bank of America helped rebuild San Francisco after the Earthquake of 1906, was one of the first banks to welcome small depositors and pioneered bank branches.

In 2023, BofA was the second most profitable U.S. bank (after JP Morgan Chase, another member of the Corporate Tax 10), with nearly $27 billion in earnings. Its $2.6 trillion in total assets also trails only Morgan, while its nearly $2 trillion in deposits is almost equal with its rival. Together, BofA and Morgan hold nearly a third of all U.S. deposits.

Over the first five years of the Trump tax law (2018-22), Bank of America enjoyed more tax-code subsidies—nearly $24 billion worth—than any other corporation. Those special breaks help explain how the bank paid a federal income-tax rate of just 3.8% on almost $139 billion in profits over that span. That's less than a fifth of the statutory 21% rate and less than a quarter of the rate paid by the average American family in 2021 (14.9%).

During an interview with Yahoo! Finance, Bank of American Chairman and CEO Brian Moynihan said the Trump Administration should "hit the ground running" and specifically "start to handle the budget better." Talk of fixing or "handling" the federal budget by corporate leaders is usually code for reducing deficits by cutting government spending on programs that working families rely on. That's their consistent strategy, even though tax cuts for the rich (like Moynihan) and corporations (like BofA) are responsible for 57% of the increase in the national debt ratio since 2001.

Since the passage of the 2017 Republican tax law, Bank of America has spent nearly $16 million lobbying the federal government, including on the law's "base erosion anti-avoidance tax, and bonus depreciation provisions," and most recently "general issues related to 2025 tax reform debate."



CITIGROUP

Citigroup began over 200 years ago as a modest banking institution in New York City but has since grown into one of the largest commercial banks in the United States, with over $1.7 trillion in consolidated assets as of September 30, 2024.

From 2018 to 2022, the first five years of the Trump tax law, Citigroup paid an effective tax rate of just 4.3% on $35.3 billion in total profits, while enjoying $5.88 billion in tax breaks. Citigroup is poised to further benefit from a potential reduction of the corporate tax rate to 15%, with the Center for American Progress estimating the five largest Wall Street banks, including Citigroup, would receive "an annual total estimated tax cut of $4.1 billion."

During an interview with Bloomberg, Citigroup CEO Jane Fraser described Trump's incoming administration as having a "largely pro-growth agenda." When CEOs refer to "pro-growth" policies, they usually mean lower taxes on themselves and lighter regulation–both of which can hurt working families through reduced public services and fewer consumer protections.

Fraser also expects proposed rules requiring banks to maintain larger cash reserves to increase their stability will be rolled back, saying the sector has given "constructive" criticism to the Federal Reserve on the unintended consequences of the current proposals.

Since the passage of the TCJA, Citigroup has spent $30.2 million lobbying the federal government, including on tax issues such as "[meeting] with the House, Senate and Administration on H.R.1 the 'Tax Cuts and Jobs Acts,'" "issues related to corporate and international tax," and most recently, "[meeting] with House and Senate on issues related to corporate and international tax."

Citi CEO Jane Fraser is on the board of directors of the Business Roundtable, the group of big-company CEOs that has announced it will be pushing hard to maintain the corporate tax breaks in the 2017 Republican law and push for more. Citi is also a member of the U.S. Chamber of Commerce, which has repeatedly urged extending pro-corporate tax provisions of the TCJA.

COMCAST

Comcast began 60 years ago as a local cable TV company but now is one of the biggest entertainment conglomerates in the world, owner of the Universal movie studio and NBC broadcast TV network, as well as being a major internet-service provider.

Comcast paid an average of over $3 billion in federal income taxes in 2021 and 2022, close to one of every 100 dollars paid by every corporate taxpayer in the country in 2021. But that $3 billion only works out to an average tax rate of 16.7% over those two years, less than the statutory corporate tax rate of 21% and a rate not much higher than the average American household's tax rate in 2021 (14.9%).

Holding down Comcast's tax rate is a collection of corporate loopholes and special breaks that over the first five years of the Trump tax law saved the company $4.36 billion. If Trump's ideal of a 15% corporate tax rate had been in effect during Comcast's most recent annual reporting period, the company would have been spared almost $2 billion of taxes in one year alone. That tidy tax savings would have represented nearly 4% of all such savings enjoyed by the nation's 100 largest firms by revenue.

Since the passage of the TCJA, Comcast has spent $94.2 million lobbying the federal government, including on tax issues such as the "Tax Cut and Jobs Act of 2017," "CARES Act - Tax Provisions," "bonus depreciation," and the "corporate tax rate."

Comcast is represented on the board of directors of the U.S. Chamber of Commerce, the nation's largest business organization. In the last three months of 2017 alone, the Chamber spent almost $17 million lobbying Congress to obtain the two-fifths cut in the corporate tax rate and other breaks eventually contained in the Trump-GOP tax law. Comcast CEO Brian Roberts is a member of the Business Roundtable, a collection of big-business chief executives. The Roundtable also spent around $17 million in that final lobbying push for the corporate-friendly Trump law.

GENERAL MOTORS

General Motors sells more vehicles in the U.S. than any other company. Its market dominance used to be much greater: in the early 1960s, GM sold over half the cars bought in the United States. GM was so central to the American economy in the mid-20th century that a widely quoted statement from the company's president implied that the fortunes of the nation and his company were inextricably linked.

This concept was essentially confirmed during the 2008 financial crisis, when the U.S. government gave a failing General Motors a nearly $10 billion taxpayer-funded bailout (as part of a larger package that also propped up Chrysler and other businesses). In 2009, the company received another $6 billion in federal loans. Despite this help, General Motors was forced into bankruptcy that year–today's GM is technically a new company, though with most of the old company's assets and brands.

GM continues to receive federal support in the form of low taxes. Between 2018-22–the first five years of the Trump tax law–General Motors enjoyed over $6.5 billion in tax loopholes and other special breaks. All those tax-code subsidies contributed to the minuscule tax rate the company paid over that half decade: 1.3%.

That rate would have been even lower in one of those years, 2022, if one of the rare revenue raisers in the Trump tax law had not kicked in that year. Tighter rules on how research expenses are deducted helped lift GM's tax rate above its average, albeit to a still tiny 4%. But if Republican efforts to repeal that deduction rule had succeeded, General Motors would have owed nothing in federal income taxes in 2022, and in fact been *eligible for a refund*—despite $9 billion in profits.

Since the passage of the TCJA, General Motors has spent $66.4 million lobbying the federal government, including on tax issues such as "comprehensive tax reform."

GM's CEO, Mary T. Barra, is a member of the Business Roundtable.

JPMORGAN CHASE

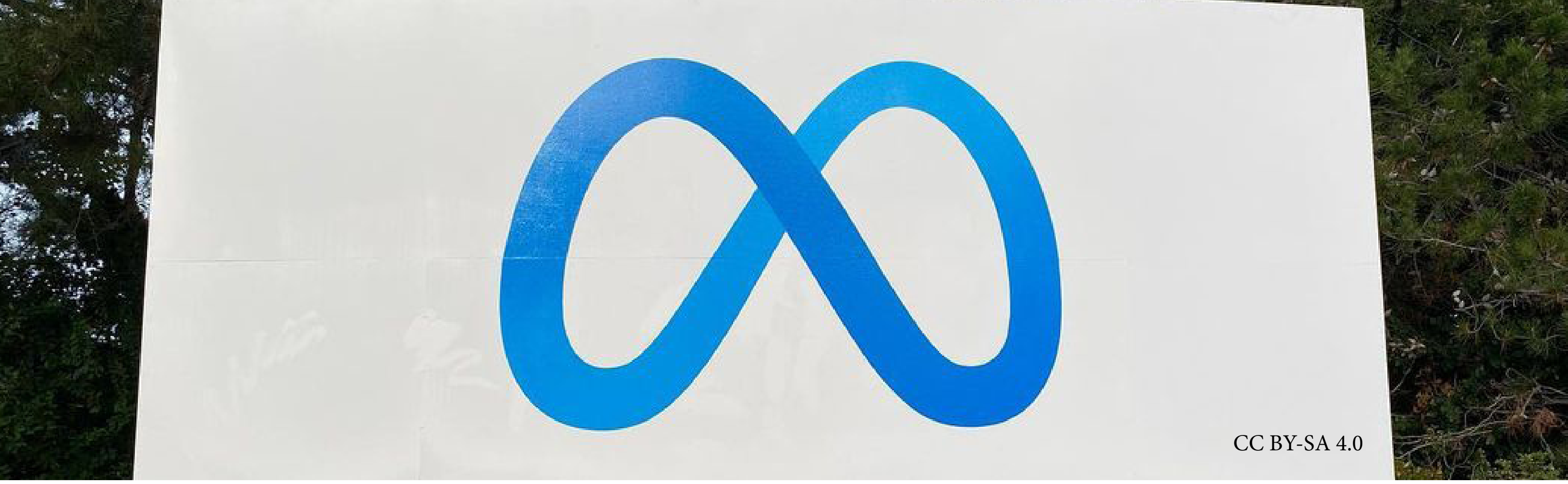
JPMorgan Chase, with origins dating back to 1799, has grown into a global financial powerhouse, operating in over 100 countries and controlling over $4.2 trillion in assets, making it one of the most dominant players in international banking. It is the largest U.S. bank by overall assets, domestic assets and number of branches. In 2023, JPMorgan reported $49.6 billion in profit, "more annual profit than any lender in the history of US banking." As of June 2023, JPMorgan held 11.3% of all U.S. retail deposits, with hopes of increasing that share to 15%, while accounting for 17% of all U.S. credit-card charges.

From 2018 to 2022, the first five years of the Trump tax law, JPMorgan Chase paid an effective tax rate of 11.5% on $176.5 billion in total profits, while benefiting from $16.7 billion in tax breaks. Morgan is set to reap significant gains from a potential reduction in the corporate tax rate to 15%, with the Center for American Progress estimating the banking giant would save $2.6 billion in taxes under the lower rate.

Following Trump's election victory, JPMorgan CEO Jamie Dimon said bankers were "dancing in the street" at the prospect of less rigorous regulation of financial institutions like his. Dimon had earlier vowed to fight further bank regulations. Insufficient bank regulation was one of the causes of the 2008 financial crisis and ensuing Great Recession.

Since the passage of the Trump tax law, JPMorgan has spent $20 million lobbying the federal government, including discussions on "corporate and international tax reform" and "corporate tax and reporting issues."

JPMorgan Chase CEO Jamie Dimon



META

Meta Platforms began in 2004 as a college social networking site called Facebook but has since grown into one of the world's largest technology conglomerates. As of December 2023, Meta reported around 3.2 billion daily active users across its core family of products, including Facebook, Instagram, and WhatsApp, an 8% increase from December 2022.

From 2018 to 2022, the first five years of the Trump tax law, Meta paid an effective tax rate of 19.4% on $105.5 billion in total profits. Over this same period, Meta wrote off $2.5 billion in taxes thanks to a "tax break allow[ing] companies to write off stock-option related expenses for tax purposes" and $2.2 billion thanks to research tax credits. Meta further would save a further $1.4 billion in taxes under current proposals to decrease the corporate income tax to 15%.

Meta founder, Chairman, and CEO Mark Zuckerberg was by recent count the third richest American, worth some $180 billion. He was one of several tech executives who according to the New York Times began courting Donald Trump's favor "in the weeks and months before the first ballot was cast." Following the election, Zuckerberg wrote on Meta's social media site Threads, "Congratulations to President Trump on a decisive victory. We have great opportunities ahead of us as a country. Looking forward to working with you and your administration."


Meta CEO Mark Zuckerberg shakes hands with former President Donald Trump

Since the passage of the TCJA, Meta has spent $126.3 million lobbying the federal government, including "discussions regarding corporate tax issues and international tax policy." Meta is represented on the board of directors of the U.S. Chamber of Commerce, which has repeatedly urged extending pro-corporate tax provisions of the TCJA. Zuckerberg is also a member of the Business Roundtable, a trade group consisting of CEOs of some of the nation's largest companies that has cited extension of the Trump tax law as a key legislative priority.

MICROSOFT

Founded in 1975, Microsoft began by developing software for personal computers, notably its Windows operating system, which continues to dominate the desktop market with a 73% share as of October 2024. The company has since expanded into cloud computing, with its Azure platform holding a 24% share of the global cloud infrastructure market as of early 2024. Microsoft's Xbox division has become a major player in the gaming industry, with the company's recent $68.7 billion acquisition of Activision Blizzard positioning it as the third-largest gaming company worldwide by revenue. As of November 2024, Microsoft is one of the world's most valuable companies, with a market capitalization of over $3 trillion.

From 2018 to 2022, the first five years under the Trump tax law, Microsoft paid an effective tax rate of 19.7% on $169 billion in total profits. During this period, Microsoft reduced its tax bill by $6.1 billion through deductions tied to stock-based compensation and claimed an additional $3.4 billion in research tax credits. Microsoft now stands to save $4 billion in taxes if proposals to lower the corporate income-tax rate to 15% are enacted.

Since the passage of the TCJA, Microsoft has spent $65.1 million lobbying the federal government, including on tax issues such as "Subtitle D of [the] H.R. 1, Tax Cuts and Jobs Act," "corporate tax, transfer pricing, treaty, foreign tax credit, mobile worker, international tax, and foreign tax issues," and "[the Biden administration's] Fiscal Year 2023 and 2024 revenue proposals relating to corporate and international taxation."

Microsoft is represented on the board of directors of the U.S. Chamber of Commerce, which has repeatedly urged extending pro-corporate tax provisions of the TCJA. Microsoft Chairman and CEO Satya Nadella is also a member of the Business Roundtable, a trade group consisting of CEOs of some of the nation's largest companies that has announced it will engage all its considerable resources in preserving and even expanding the corporate tax breaks in the 2017 Republican tax law.

PFIZER

Founded in 1849, Pfizer has grown into one of the largest and most dominant pharmaceutical companies in the world, with its products reaching over 180 countries and producing total revenue of $58.5 billion in 2023. The COVID-19 pandemic was a boon for the pharmaceutical giant, which saw record revenue in 2022 thanks to its vaccine and surging sales of its anti-viral medication, Paxlovid. Pfizer's financial success has led the company to spend tens of billions on acquisitions in recent years, including the $43 billion acquisition of oncology-drug company Seagen in December 2023, which was seen as the company pivoting towards cancer therapies ahead of an anticipated fall in COVID-19 products.

In 2023, Pfizer enjoyed a $1.6 billion U.S. tax benefit and had an effective tax rate of *negative* 105% after reporting $4.4 billion in domestic losses. Drug companies can artificially create domestic losses–and thereby low, zero or even negative U.S. tax rates–by using accounting tricks to shift U.S. profits offshore.

In May 2024, Senate Finance Committee Chairman Ron Wyden (D-OR) sent a letter to Pfizer seeking information on the company's international tax practices, noting the company had paid "substantially lower than the U.S. corporate tax rate of 21%" since the passage of the 2017 Republican tax law, including its negative rate in 2023. Wyden further suggested the company was improperly taking advantage of the TCJA's Global Intangible Low-Tax Income (GILTI) rate of 10.5%—meant for the profits of foreign subsidiaries—by frequently booking all of its taxable revenue outside of the United States, despite the United States accounting for "approximately half of the company's sales on an annual basis."

Since the passage of the GOP law, Pfizer has spent $76 million lobbying the federal government, including on tax issues such as "comprehensive corporate tax reform," the "Tax Cuts and Jobs Act of 2017 (TCJA)," and recently "comprehensive federal tax reform."

Pfizer is represented on the board of the pharmaceutical industry group, PhRMA, by its Chairman and CEO, Dr. Albert Bourla, who is also the trade group's board chair-elect and former treasurer. PhRMA is currently suing to reverse the Biden administration's historic Medicare drug negotiation program, which had already brought down the government's price for Eliquis, a drug co-produced by Pfizer. Dr. Bourla is also a member of the Business Roundtable, which has announced its policy priority of protecting, and maybe even expanding, corporate tax breaks in the tax overhaul scheduled for 2025.

HOW THE TAX GOALS OF THE 'CORPORATE TAX 10' WOULD HURT WORKING FAMILIES

The main tax goal of the "Corporate Tax 10" in 2025 is to stop the corporate rate from being raised from its current 21% as part of a larger legislative deal addressing the expiration of the 2017 Trump-GOP tax cuts—a tax hike even Republican members of Congress are considering.

The Tax 10 have a lot at stake: according to a 2022 estimate by the Congressional Budget Office (CBO), each percentage-point increase in the corporate tax rate raises roughly $130 billion over 10 years. Based on the share of total corporate taxes paid by the top 10 heaviest-taxed firms earlier this decade, they could collectively owe around $21 billion more in the first 10 years after just a one-percentage-point bump in the corporate tax rate. If the rate was raised by five percentage points, they might be on the hook for an extra $100 billion. Alphabet alone could owe $5 billion more in taxes over 10 years if the corporate rate were raised from the current 21% to 26%.

The amount of money the Tax 10 might owe could be even greater, because a more recent report by the Treasury Department estimated that President Biden's proposed seven-percentage-point boost in the corporate tax rate—from 21% to 28%—would raise over $1.3 trillion in a decade. (CBO's earlier calculation would indicate a seven-point boost would instead raise about $900 billion.)

If the Tax 10 succeed in their efforts to forestall a tax-rate increase, the big losers will be the American people. Using the more conservative estimate of $130 billion of revenue raised per percentage-point increase, a two-point hike would raise enough revenue to make community college tuition-free, increase Pell grants to make all higher-education more affordable, and increase aid to historically Black colleges and universities (HCBUs). A three-point increase could pay for a national paid family-and-medical leave program of 12 weeks for all the nation's employees. A four-point bump would nearly fund a program of free pre-K education for all four-year-olds and expanded child care for 16 million kids.

A higher corporate tax rate could also be used to lower public debt, the growing size of which is used by Republicans as an excuse to try to cut funding for public services, including Social Security and Medicare.

Of course, the Tax 10 might not be content with playing defense: instead of just trying to forestall a corporate-tax-rate increase, they may try to push for Donald Trump's proposed tax-rate cut to 15% for domestic manufacturers. As noted above, the Center for American Progress has estimated that several members of the Corporate Tax 10 would have pocketed significant savings from such a rate reduction if it had been in effect during the most recent annual reporting period. Microsoft would be $4 billion richer; Alphabet, $3.5 billion; Apple, $2.7 billion. (These figures again indicate that the $130 billion per-percentage-point estimate is a cautious one.)

In addition to fighting over the corporate tax rate, the Tax 10 will be trying to resurrect a trio of

> “ IF THE “TAX 10” SUCCEED IN THEIR EFFORTS, THE BIG LOSERS WILL BE THE AMERICAN PEOPLE.

costly business tax breaks that have expired or begun to phase down over the past few years. The most expensive is “bonus depreciation,” which allows companies to immediately write off the cost of big investments like factories, machinery and vehicles; instead of piecemeal over many years, to better reflect those investments’ ongoing value. Bonus depreciation began phasing out at the end of 2022, but the Corporate Tax 10 would like to see it revived retroactively, so they don’t miss a single year of their generous tax break.

Reviving bonus depreciation would lose $378 billion of revenue over 10 years. That would be more than enough money to fund the plans presented in President Biden’s last budget to expand the availability and lower the cost of housing (cost: $183 billion); as well as to expand and improve home- and community-based Medicaid services for older and disabled Americans ($154 billion).

The second most costly expired business tax break that the Corporate Tax 10 hopes to bring back to life (again, retroactively) would hurry another business deduction that makes more sense to draw out over time. Since 2022, businesses have had to deduct in annual increments (“amortize”) the costs of research and experimentation instead of writing them all off in the year incurred. Such gradual write-offs acknowledge the long-term benefits firms derive from R&E (also known R&D, for “research and development”). Bringing back R&E “expensing” would cost $277 billion in lost revenue over 10 years. That’s again roughly the same amount of money President Biden proposed to spend making community college tuition-free, lowering other higher-education costs, and investing in HBCUs.

The final expired tax break the Corporate Tax 10 would like to put back on the books allowed businesses to deduct more of the interest they pay on their loans. Making loans cheaper through the tax code prompts businesses to borrow more. Too much business debt can make companies—and the whole economy—more prone to failure. Reviving the looser interest-deduction rules would cost $53 billion in lost revenue over 10 years.