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CONGRESS URGED TO BOOST CORPORATE TAXES, NOT CUT THEM

In Letter to Congress at Start of Lame Duck, Nearly 60 National Groups Oppose Loophole Extensions that Could Cost \$600 Billion

WASHINGTON – Reflecting growing public demand for tax fairness, 58 national organizations yesterday [sent a letter to Congress](#) urging it to reject the extension of three corporate tax loopholes that could cost up to \$600 billion in lost revenue if made permanent. In a letter delivered at the beginning of the end-of-year “lame duck” session, the groups—representing labor, progressives, civil rights and environmental movements, and more—argue that instead of cutting corporate taxes, Congress should raise them. The letter says in part:

“At a time when corporations are making [record-high profits while paying record-low taxes](#) as a share of the economy, and when corporate [price gouging is helping to fuel inflation](#), corporations should start paying *more* of their fair share, not less...

“Some of the most prominent corporations lobbying for extending these tax breaks are also among the nation’s most prominent tax dodgers. For example, five members of the [leadership committee of the R&D Coalition](#)—**Amazon, Ford, Intel, Microsoft, and Northrop Grumman**— which is leading the charge for this tax break, have in recent years paid tax rates below the average [13% rate paid by families](#), according to an [analysis](#) by the Institute on Taxation and Economic Policy (ITEP) and Americans for Tax Fairness (ATF)...

“The 2022 midterm elections offered no mandate for corporate tax cuts—in fact, the message delivered by the electorate was just the opposite. While several factors contributed to the GOP’s poor showing in the midterms, more money was [spent on tax issue ads](#) in congressional races than on any other issue in the two months before the election, with 71% of it by Republicans and their outside groups. Those ads attacked Democrats mostly for the tax increases in the Inflation Reduction Act. Voters rejected this anti-tax-fairness agenda; it should not be supported in Congress’s closing days.”

The three tax breaks under consideration are:

- **Reversing the change in the Research & Experimentation tax deduction** so that corporations can continue to write off 100% of research expenses all at once instead of more realistically over five years. *Cost: \$60 billion (1st year*); \$155 billion (10 years).*
- **Reversing the change in the Net Interest Deduction tax break** so that corporations can continue to deduct more of the cost of borrowing money by changing how the deduction is calculated. *Cost: \$20 billion (1st year); \$200 billion (10 years).*
- **Extending 100% Bonus Depreciation beyond 2023** so corporations can continue to write off immediately the full cost of assets that hold their value a long time. *Cost: \$15 billion (1st year*); \$250 billion (10 years).*

The letter to Congress signed by 58 national groups is available [here](#). More information on these corporate tax breaks is available [here](#).

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