

# TALKING POINTS FOR PARADISE PAPERS & OFFSHORE TAX DODGING EVENTS

Nov. 5, 2017

*These talking points may change this week as new stories come out about corporate use of offshore tax havens to dodge taxes.*

## TOPLINES

- The Paradise Papers show how widespread offshore tax dodging is, and how it's connected to the friends and close advisers of President Trump. They also show how major U.S. corporations, such as Apple, Nike and Uber, use tax havens to dodge paying their fair share of taxes.
- Apple is the country's worst offshore corporate tax dodger.
- The Republican tax plan now before Congress gives a huge tax holiday to offshore corporate tax dodgers. Unless we stop it, these corporations will get a \$500 billion tax break on the \$2.6 trillion in profits they currently have offshore.
- Corporations should pay the full amount in taxes they owe on those profits, so we have the resources needed to invest in infrastructure, education and health care.
- The Republican tax plan is a jobs killer. Wealthy corporations will get a huge tax break on their offshore profits, encouraging corporations to outsource even more American jobs than they do now.
- That's why we say protect our jobs not offshore tax breaks. If you want to help stop outsourcing, then end corporate tax breaks. No tax cuts for job-killing corporations.
- **[For Apple Events] Apple is the country's worst offshore corporate tax dodger.**
  - Apple has \$250 billion in profits stashed offshore on which it has not paid a dime in U.S. taxes it owes.
  - Apple has paid just a 4% tax rate on those offshore profits. That means those profits are mostly stashed in tax havens.
  - Congress must require Apple to bring those profits back home and pay what it owes. It owes us taxpayers \$75 billion on those offshore profits. You know what we could do with \$75 billion:
    - Provide pre-K education to all four-year olds for 10 years, as President Obama proposed.
    - Or provide free tuition at community college for 9 million students over 10 years, another proposal from President Obama (Cost: \$60 billion)
  - *More on Apple tax dodging is [here](#). Nike tax dodging is [here](#).*
- **The Republican tax plan now before Congress gives a huge tax holiday to offshore corporate tax dodgers. Unless we stop it, they will get a tax break of \$500 billion on their offshore profits.**
  - Apple and about 100 other giant corporations have a total of \$2.6 trillion in profits stashed offshore. They have not paid a dime in U.S. taxes on those profits.

- These tax dodging corporations owe \$750 billion in taxes on those profits based on a 35% tax rate. Imagine the great things could we do with \$750 billion – like [double over the next 7 years](#) the amount of money the federal government spends on transportation, drinking water, and wastewater infrastructure.
  - But President Trump and the Republican tax plan will let Apple, Microsoft, Pfizer, ExxonMobil and Wall Street banks bring those profits home and pay just \$220 billion, not the \$750 billion they owe. That means they will get a \$500 billion tax break. Apple alone will save \$50 billion under this sweetheart deal. [Background: Corporations will pay a tax rate of just 12% on those offshore profits, not the 35% they owe, less foreign taxes paid.]
  - So, these hugely profitable corporations will pay about 20 cents on every dollar they owe. Do you and I get to pay just 20% of the taxes we owe come April 15, Tax Day?
  - These corporations need to pay what they owe just like you and I do, so we have the resources needed to invest in infrastructure, education and health care.
- **The Republican tax plan is a jobs killer. Wealthy corporations will get a huge tax break on their offshore profits, encouraging corporations to outsource even more American jobs than they do now.**
    - These greedy multinational corporations don't just want a huge tax break on the \$2.6 trillion stashed offshore today. They're trying to rig the system, so they don't pay ANY taxes on those offshore profits forever into the future.
    - Today, U.S. corporations are supposed to pay the same tax rate on the profits they make here at home as they pay on their offshore profits. The reason is to limit financial incentives for them to take production and jobs offshore. But giant tax loopholes have made a mockery of the system.
    - We need to close those tax loopholes to shut down a big incentive for outsourcing. But the Republican tax plan doubles down on outsourcing American jobs. It slashes the offshore corporate tax rate to half the tax rate here at home. (10% vs. 20%).
    - And under this Republican tax scam, many offshore profits will go completely untaxed. Wall Street banks will pay no taxes on their foreign profits. The same goes for oil, gas and mining companies.
    - Under the Republican tax plan, a small business operating on Main Street USA will pay 20% in taxes on its profits to the federal government. But a big corporation that outsources those same jobs to Mexico or China will pay NO TAXES on the profits it earns from outsourcing to the federal government under the Republican bill.
    - That's why we say the GOP tax bill is a job killer.
    - That's why we say protect our jobs not offshore tax breaks.
    - That's why we say if you want to help stop outsourcing then end corporate tax breaks.
    - And that's why we say no tax cuts for job-killing corporations.

## OTHER USEFUL TAX MESSAGES

- **TOPLINE: The Republican tax plan delivers a huge tax cut to the richest 1% and wealthy corporations, funded by slashing support for Medicare, Medicaid, and education. It's wrong to give special tax breaks to the wealthy and powerful at the expense of working families.**
- **The Republican tax plan cuts the corporate tax rate from 35% to 20% giving corporations a \$1.5 trillion tax cut.** Meanwhile, the Republican budget cuts Medicare (\$500 billion) and Medicaid (\$1 trillion) by the same amount putting at great risk millions of seniors, children and people with disabilities.
- **The Republican tax plan is not tax "reform." It's a massive tax cut mostly for the richest 1% and wealthy corporations that will result in deep cuts to healthcare, education and other priorities for our families.**
- **The wealthy and big corporations must pay their fair share, so we can protect Social Security, healthcare, and education from cuts. Not one penny in tax cuts should go the richest Americans and the wealthiest corporations.**

## DEBUNKING GOP JOBS MESSAGE

*Don't get bogged down debating impact of tax cuts on jobs/economy. Focus on tax fairness and cuts to Social Security, Medicare, Medicaid, education. If need to address trickle-down say:*

- **Huge tax cuts for the rich and corporations do not pay for themselves.** History shows that they just increase the deficit while the rich get richer and corporations get more profitable.
- **The Republican plan cuts the corporate tax rate from 35% to 20% handing a huge tax cut to corporations when they are making record profits but paying a record low amount in taxes.** Many corporations pay little to nothing in taxes now due to tax loopholes.
- **Lowering taxes on corporations just benefits CEOs and wealthy shareholders—they will not turn around and give their workers a pay raise.**
  - There are no protections to ensure that the profits will be used to create good jobs or raise workers' pay.
  - Independent experts all agree that 70% of the corporate tax cuts will go to wealthy stockholders and CEOs rather than to workers.
- **Tax cuts will do little to spur investment or create jobs.** Corporations have been making record profits for years and paying record low taxes. They are awash in cash for new investments. More tax cuts will just pad the pockets of CEOs and rich shareholders.
- **Tax cuts for the rich and corporations will hurt the economy and cost jobs by causing big cuts to education, healthcare, rebuilding infrastructure and other critical investments.** Tax cuts for the rich and corporations create few jobs compared with investing in education, healthcare and infrastructure that benefits working families.