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**Report: 280 Most Profitable U.S. Corporations Shelter Half Their Profits from Taxes;  
Thirty Companies Paid Less Than Zero in Taxes In The Last Three Years**

**Citizens for Tax Justice and the Institute on Taxation and Economic Policy Release  
“Corporate Taxpayers and Corporate Tax Dodgers, 2008-2010”**

Washington, DC – A comprehensive new study that profiles 280 of America’s most profitable companies finds that 78 of them paid no federal income tax in at least one of the last three years. Thirty companies enjoyed a negative income tax rate over the three year period, despite combined pre-tax profits of \$160 billion. These are among the findings in “Corporate Taxpayers and Corporate Tax Dodgers, 2008-2010,” released today by Citizens for Tax Justice and the Institute on Taxation and Economic Policy.

“These 280 corporations received a total of nearly \$223 billion in tax subsidies,” said Robert McIntyre, Director at Citizens for Tax Justice and the report’s lead author. “This is wasted money that could have gone to protect Medicare, create jobs and cut the deficit.”

“Corporate Taxpayers and Corporate Tax Dodgers, 2008-2010” is the tenth comprehensive publication on corporate taxes from Citizens for Tax Justice (CTJ) and the Institute on Taxation and Economic Policy (ITEP). The two groups released their first major study on the federal income taxes that large, profitable American corporations pay on their U.S. pretax profits in 1984. The newest study, released today, is online at [www.ctj.org/corporatetaxdodgers](http://www.ctj.org/corporatetaxdodgers).

The study examines 280 corporations, all from the Fortune 500 list. All of the companies were profitable in each of the last three years and provided sufficient and reliable information in their financial reports about their pretax U.S. profits and their U.S. federal income taxes.

Corporations are lobbying for lower corporate rates and an exemption for profits they shift offshore. McIntyre, however, says “Our study provides proof that too many corporations are already being coddled by our tax system.” Findings in the report include:

- The average effective tax rate for all 280 companies in the study over the three year period was 18.5 percent; for the period 2009-2010 it was 17.3 percent, less than half the statutory rate of 35 percent.
- 78 of the companies enjoyed at least one year in which their federal income tax was zero or less.
- 30 companies enjoyed a negative income tax rate over the entire three year period on their combined pre-tax profits of \$160 billion.
- Total tax subsidies given to all 280 profitable corporations amounted to \$222.7 billion from 2008-2010.
- Wells Fargo tops the list of 280 U.S. corporations receiving the most in tax subsidies, getting nearly \$18 billion in tax breaks from the U.S. treasury in the last three years.
- Pepco Holdings had the lowest effective tax rate of all the companies in the study, at negative 57.6 percent over the three year period.

- Some companies within sectors fare worse than others. For example, the report finds that FedEx paid a 0.9 percent tax rate over the three year period while its competitor, UPS, paid a 24.1 percent rate.
- While retailers and wholesalers in the study generally pay average effective tax rates of about 30 percent, Amazon.com paid a rate of only 7.9 percent on its \$1.8 billion in profits from 2008-2010.
- Financial services received the largest share (16.8 percent) of all federal tax subsidies over the last three years. More than half of federal corporate tax subsidies for companies in the study went to four industries: financial services, utilities, telecommunications, and oil, gas & pipelines.
- The top ten defense contractors saw their combined tax rate decline from 19.3 percent in 2008 to a mere 10.6 percent rate in 2010.
- U.S. corporations with significant (ten percent or more of their total worldwide profits) foreign profits paid tax rates to foreign countries that were almost a third higher than they paid to the IRS on their domestic profits.

*Citizens for Tax Justice (CTJ), founded in 1979, is a 501 (c)(4) public interest research and advocacy organization focusing on federal, state and local tax policies and their impact upon our nation ([www.ctj.org](http://www.ctj.org)).*

*Founded in 1980, the Institute on Taxation and Economic Policy (ITEP) is a 501 (c)(3) non-profit, non-partisan research organization, based in Washington, DC, that focuses on federal and state tax policy. ITEP's mission is to inform policymakers and the public of the effects of current and proposed tax policies on tax fairness, government budgets, and sound economic policy ([www.itepnet.org](http://www.itepnet.org)).*