

## House GOP “Stimulus” Bill Offers 16 Large, Low-Tax Corporations \$7.4 Billion in Instant Tax Rebates

### IBM alone is slated for a \$1.4 billion rebate check

The “stimulus” tax-cut bill just approved by the House calls for some \$25 billion in immediate tax rebates to large profitable corporations that paid the low-rate “alternative minimum tax” over the past decade and a half because loopholes cut their regular income tax bills to little or nothing.

Some \$7.4 billion of these corporate rebate checks would be made out to just 16 tax-avoiding Fortune 500 companies—each of which would get more than \$100 million in rebates. (These companies reported a total of more than \$42 billion in pretax U.S. profits last year.)

■ Topping the list is IBM, slated to get a \$1.4 billion rebate check. Ford is next at \$1 billion, followed by General Motors at \$833 million, General Electric at \$671 million, TXU (Texas Utilities) at \$608 million, DaimlerChrysler at \$600 million, and ChevronTexaco at \$572 million.

■ The 16 low-tax companies that would get more than \$100 million each under the GOP-backed bill include five in the energy business, along with the three largest U.S. automakers. Two companies are in the airline industry, which is receiving \$15 billion in grants and loans under already passed legislation.

■ The bill’s total of \$25 billion in instant rebates for profitable tax-avoiding corporations is almost twice as big as the \$13.7 billion in added individual rebates that the tax committee decided to provide to 37 million, mostly low-income families and singles whose 2000 earnings were too low to qualify for the previous round of personal tax rebates.

Under the bill, the “AMT” would be repealed (to facilitate future tax sheltering) and corporations would be entitled to an immediate rebate of any alternative minimum tax they paid since the tax was established in 1986. In contrast, under current law, a company that pays the AMT can get a refund in a later year only if its regular income tax payments exceed the AMT that year. Many profitable companies have so many loopholes that they never pay enough in regular income taxes to use these “AMT credit carryforwards.”

#### 16 Corporations with More than \$100 Million in AMT Credit Carryforwards at the End of 2000

Company	AMT Rebates under the House GOP Tax Bill, \$-millions
IBM	\$ 1,424
Ford Motor Co.*	1,000
General Motors	833
General Electric	671
TXU (Texas Utilities Company)	608
DaimlerChrysler**	600
ChevronTexaco	572
UAL (United Airlines)	371
Enron	254
Phillips Petroleum	241
AMR (American Airlines)	184
IMC Global	155
Comdisco	144
CMS Energy	136
Westvaco	112
Kmart	102
<b>Total, these 16 Companies</b>	<b>\$ 7,407</b>

Source: corporate annual reports for 2000, except as noted.

\*As disclosed by Ford to the *Detroit News*, Oct. 26, 2001.

\*\*As disclosed by DaimlerChrysler to *Automotive News*, Oct. 17, 2001.

Citizens for Tax Justice, Oct. 26, 2001 (added Ford & Kmart)