



February 16, 2012
 Contact:
 Anne Singer
 (202) 299-1066 x27

Obama Promoting Tax Cuts at Boeing, a Company that Paid Nothing in Net Federal Taxes Over Past Decade

On February 17, the President plans to visit a Boeing plant in Washington state to tout his proposed new tax breaks for American manufacturers. This is an odd setting to discuss new tax cuts, because over the past 10 years (2002-11), Boeing has paid nothing in net federal income taxes, despite \$32 billion in pretax U.S. profits.

On the contrary, Boeing has actually reported more than \$2 billion in *negative* total federal taxes over that period. Only twice in the last 10 years has Boeing reported a positive federal income tax liability. In each of the other eight years, including the last four, Boeing’s federal income taxes were negative.

President Obama has proposed to give U.S. manufacturers a lower corporate tax rate. But why this is necessary for a company like Boeing, which is already paying less than nothing in federal corporate income taxes, is a mystery.

Boeing is hardly the only major, profitable U.S. corporation that pays little or nothing in federal corporate income taxes. General Electric, for example, reported \$4.7 billion in net tax *benefits* from 2008-10, despite earning \$10.5 billion in pretax U.S. profits over that period. Over the last 10 reported years (2001-10), GE’s federal income taxes were only 3 percent of its \$85 billion in reported pretax U.S. profits. (Obama named GE’s CEO, Jeffrey Immelt, to head his “President’s Council on Jobs and Competitiveness.”)

CTJ’s November 2011 report, *Corporate Taxpayers & Corporate Tax Dodgers*, examined 280 of America’s biggest and most profitable corporations and found that on average they paid only about half the 35 percent official federal corporate income tax rate over the 2008-10 period.

- Thirty of the companies, including Boeing and GE, paid less than nothing in federal income taxes over the three years.
- And 67 of the 280 companies (a quarter of the total) paid effective corporate income tax rates of less than 10 percent.

President Obama says he wants to help American manufacturers. But cutting their already very low taxes even further is not the way to do so. Repairing our decaying infrastructure and better educating our workforce would be much more promising approaches.

Boeing’s 10 Years of Negative Total Federal Income Taxes (\$-millions)

Year	Pretax US profit	Federal income tax	Federal tax rate
2002	\$ 2,209	\$ 229	10.4%
2003	1,069	-1,700	-159.0%
2004	2,022	-454	-22.5%
2005	2,703	-334	-12.4%
2006	3,193	-134	-4.2%
2007	5,762	1,141	19.8%
2008	3,791	-39	-1.0%
2009	1,494	-136	-9.1%
2010	4,450	-3	-0.1%
2011	5,111	-635	-12.4%
10 years:	\$ 31,805	\$ -2,064	-6.5%

Source: Boeing’s 10-K Annual Reports.

Citizens for Tax Justice, February 2012