

May 18, 2011

The Honorable _____
United States Senate/House of Representatives
Washington, DC

Dear Senator/Representative:

The undersigned organizations urge Congress to reduce corporate tax subsidies, and use the savings to help address our long-term budget deficit and protect public investments.

It makes no sense for Congress to debate cuts in public services that working families rely on while ignoring the public spending that benefits corporations and is hidden in the tax code.

A subsidy provided in the form of a special tax break or tax loophole has the same effect and cost as a direct spending subsidy. But lawmakers have often ignored tax subsidies, particularly those that take the form of corporate tax loopholes.

The United States has a *statutory* corporate income tax rate of 35 percent, but U.S. corporations use these tax loopholes to reduce their *effective* income tax rate to far below 35 percent.

These tax loopholes often subsidize corporations for engaging in activities that do not make economic sense and some may even subsidize corporations for moving jobs offshore. Some U.S. corporations use these loopholes to avoid U.S. income taxes entirely.

In fact, a 2007 report from President Bush's Treasury Department concluded that the share of profits paid in taxes by U.S. corporations is below the average paid by corporations of other developed countries.

Some lawmakers have proposed to eliminate corporate tax subsidies and use all of the resulting revenue savings to pay for a reduction in the corporate income tax rate. In contrast, we strongly believe most, if not all, of the revenue saved from eliminating corporate tax subsidies should go towards deficit reduction and towards creating the healthy, educated workforce and sound infrastructure that will make our nation more competitive.

Given our long-term budget deficit problem, no one should accept a proposal to cut public services if the money saved is used to pay for a reduction in tax rates. Likewise, we believe it would be equally ill-advised to use the money saved from reducing corporate tax subsidies to pay for a reduction in corporate tax rates.

Some corporate leaders argue that a low corporate income tax rate would make our nation more competitive. But our competitiveness depends far more on public investments that

create a healthy, educated workforce and a sound infrastructure. These public investments — such as education, health care, nutrition assistance, environmental protection and transportation — will face deeper cuts if we fail to rein in tax subsidies to profitable corporations.

Sincerely,

National Organizations

American Federation of Government Employees
AFL-CIO
American Federation of State, County and
Municipal Employees
Break the Chain Campaign
Campaign for America's Future
Citizens for Tax Justice
Citizens for Responsibility and Ethics in
Washington
Communication Workers of America
Children's Defense Fund
Coalition on Human Needs
Community Action Partnership
Families USA
Friends Committee on National Legislation
Friends of the Earth
Global Financial Integrity
Government Accountability Project
Gray Panthers
Jubilee USA Network
Main Street Alliance

State and Local Organizations

Alaska

Alaska Center for Public Policy
Alaska Women for Political Action
HIV/AIDS Services for African Americans in
Alaska
SACC (South Anchorage Concerned Coalition)

Alabama

Alabama Arise
Greater Birmingham Ministries
VOICES for Alabama's Children

Arkansas

Arkansas Advocates for Children & Families
Platypus Society

National Advocacy Center of the Sisters of the
Good Shepherd
National Council of Jewish Women
National Education Association
National Health Care for the Homeless Council
National Latina Health Network
National Low Income Housing Coalition
National Women's Law Center
NETWORK, A National Catholic Social Justice
Lobby
OMB Watch
Public Citizen
Responsible Wealth
Service Employees International Union
Summit Health Institute for Research and
Education, Inc.
United Church of Christ, Justice and Witness
Ministries
United for a Fair Economy
USAction
Voices for America's Children
Wealth for the Common Good
Wider Opportunities for Women

Arizona

Arizona Council of Human Service Providers
Association for Supportive Child Care
Community Action Human Resources Agency
Protecting Arizona's Family Coalition (PAFCO)
Tempe Hispanic Community Forum

California

Easter Hill United Methodist Church
Asian Law Alliance
Avant-Garde Foster Family Agy. Inc
CA Council of Churches IMPACT
California Tax Reform Association
California/Nevada Community Action Partnership
Community Child Care Council of Alameda
County
Glendale-La Crescenta Advocates
Humboldt Mediation Services
Imperial Valley Food Bank

L.A Community Legal Center and Educational
Libreria del Pueblo, Inc
OWL-California
SCV Fair Elections Committee

Colorado

Colorado Center on Law and Policy
Colorado Fiscal Policy Institute
Colorado Progressive Action
Green Peace Corps

Connecticut

Connecticut Citizen Action Group
Connecticut Legal Services, Inc.
CT Puerto Rican Forum
Jewish Family Services
National Council of Jewish Women, Greater
Bridgeport Section
People of Faith CT

District of Columbia

Capital Area Food Bank
DC Fiscal Policy Institute

Delaware

Delaware Alliance for Community Advancement
Delaware Alliance for Health Care

Florida

Abused Woman Ministries, Inc.
Children's Services Council of Broward County,
FL
Farmworker Association of Florida
Florida Consumer Action Network
Florida Fiscal Policy Project

Georgia

Georgia Rural Urban Summit
Macon Bibb County Economic Opportunity
Council
Star Choices, Inc.
Volunteer Macon

Hawai'i

Hawai'i Alliance for Community-Based
Economic Development

Iowa

Iowa Citizen Action Network
National Association of Social Workers, Iowa
Chapter
RESULTS
Sisters of Mercy of the Americas

Idaho

Idaho Education Association
United Action for Idaho

Illinois

Citizen Action/Illinois
Holy Spirit Missionary Sisters, JPIC - USA
Housing Action Illinois
Illinois Hunger Coalition
Illinois Maternal and Child Health Coalition
Pax Christi Illinois
Project IRENE
Protestants for the Common Good
Provincial Council of the Clerics of St. Viator
(Viatorians)
Teachers Against Teen Violence
The Arc of Winnebago, Boone & Ogle Counties

Indiana

Indiana Catholic Conference
National Association of Social Workers - Indiana
Chapter
United Way of Delaware County

Kansas

KS Assn of Community Action Programs

Kentucky

Audubon Area Head Start
Kentucky Center for Economic Policy
Kentucky Jobs With Justice
Sisters of Charity of Nazareth Congregational
Leadership

Louisiana

Louisiana Housing Alliance

Massachusetts

Family Economic Initiative
Massachusetts Citizens for Children
Willis Center

Maryland

Disciples Justice Action Network
PeterCares House
Progressive Maryland
Public Justice Center
Sisters of Mercy Institute Justice Team
Xaverian Brothers
Voices for Quality Care (LTC), Inc.

Maine

Maine Center for Economic Policy
Maine People's Alliance

Michigan

Blue Water Pax Christi
IHM Justice, Peace and Sustainability Office
MI Council on Crime and Delinquency
Michigan Alliance of Cooperatives
Michigan Citizen Action
Oakland County Welfare Rights Organization
Pax Christi Michigan
Sisters of Mercy
Sugar Law Center for Economic & Social Justice

Minnesota

Hunger Solutions Minnesota
Institute for Local Self-Reliance
Integrated Community Solutions, Inc.
L.I.F.T.
Minnesota Citizens for Tax Justice
Minnesota Coalition for the Homeless
A Minnesota Without Poverty
US Uncut Minnesota

Missouri

Lutheran Family and Children's Services of
Missouri
Metropolitan Congregations United
Missouri Progressive Vote Coalition
Missourians for Tax Justice
National Council of Jewish Women - Missouri
Ozarks Citizens Alliance

Mississippi

Public Policy Center of Mississippi

Montana

Bozeman Peace Seekers
Helena Indian Alliance
Montanans for Corporate Accountability
Province of St Joseph
The Policy Institute

North Carolina

Black Workers for Justice
N.C. Budget and Tax Center
Good Work

North Dakota

NDPeople.org

Nebraska

Lutheran Metro Ministry
Nebraska Appleseed Center for Law in the Public
Interest
Sisters of Mercy West Midwest Justice Team

New Hampshire

Children's Alliance of New Hampshire
New Hampshire Citizens Alliance for Action

New Jersey

Housing & Community Development Network of
NJ
New Jersey Citizen Action
New Jersey Tenants Organization
United Passaic Organization

New Mexico

Multicultural Alliance for a Safe Environment
New Mexico Center on Law and Poverty
New Mexico Voices for Children
Prosperity Works

Nevada

Three Square
Unitarian Universalist Fellowship of Northern
Nevada, Social Justice Council

New York

Arbor Housing and Development
ARISE
Asia Initiatives
Citizen Action of New York
Claire Heureuse Community Center, Inc
Coalition for Quality Care
Disabled in Action of Greater Syracuse Inc.
Economic Future Group
Gray Panthers of Suffolk County
Hunger Action Network of NYS
Independent Living, Inc.
Joint Council for Economic Opportunity of
Clinton and Franklin Counties
Long Term Care Community Coalition
Lower East Side Family Union
Progressive States Action
Rockland Immigration Coalition
Sisters of Social Service of Buffalo, NY
Supportive Housing Network of New York
Violence Intervention Program
West Side Campaign Against Hunger
Women of Color Policy Network

Ohio

ProgressOhio
The Salvation Army
UHCAN Ohio

Oklahoma

ARC Group Homes, Inc.
Common Cause Oklahoma
Gatesway Foundation

Oregon

Blue Sage Ministries
Oregon Action
Tax Fairness Oregon

Pennsylvania

CADCOM
Children's Coalition of the Lehigh Valley
Citizens Budget Campaign of Western
Pennsylvania
Greater Philadelphia Coalition Against Hunger
Just Harvest: A Center for Action Against Hunger
Keystone Research Center
Maternity Care Coalition
Nazareth Housing Services
PennAction
Pennsylvania Council of Churches

Rhode Island

National Association of Social Workers, Rhode
Island Chapter
Ocean State Action

South Carolina

Senior Express Transportation Services
South Carolina Appleseed Legal Justice Center

South Dakota

National Association of Social Workers - South
Dakota Chapter
South Dakota Alliance for Progress
South Dakota Peace and Justice Center

Tennessee

Tennesseans for Fair Taxation
Tennessee Citizen Action
Tennessee Minority Health Coalition

Texas

Brazos Valley Community Action Agency, Inc.
Coalition of Working People and the Poor
Houston Peace and Justice Center
Pentecostals & Charismatics for Peace & Justice

People for Fair Taxes
Senior Community Outreach Services, Inc.

Utah

Disabled Rights Action Committee
Voices for Utah Children

Virginia

National Respite Coalition
Social Action Linking Together (SALT)
Virginia Organizing
World Knowledge Bank

Vermont

Vermont Affordable Housing Coalition
Voices for Vermont's Children

Washington

Alliance for a Just Society
Economic Opportunity Institute
Kids Northwest
Northwest Housing Development
Social Justice Ministry of Sacred Heart Catholic
Church
Statewide Poverty Action Network
Washington Association of Churches
Washington Citizen Action Network
YouthCare

Wisconsin

Citizen Action of Wisconsin
Project Concern of Cudahy-St. Francis
Promega
St. Mathew's Justice & Human Concerns
Wisconsin Alliance for Retired Americans

West Virginia

West Virginia Citizen Action Group

Wyoming

Equality State Policy Center