

## Less than Zero: Enron's Corporate Income Tax Payments, 1996-2000

A January 17 analysis of Enron's financial documents by Citizens for Tax Justice finds that Enron paid no corporate income taxes in four of the last five years-- although the company was profitable in each of those years.

- Over the five-year period from 1996 to 2000, Enron received a net tax rebate of \$381 million. This includes a \$278 million tax rebate in 2000 alone.
- Over the same period, the company's profit before federal income taxes totaled \$1.785 billion. In none of these years was the company's pretax profit less than \$87 million.

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<b>\$-millions</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>	<b>96-00</b>
U.S. profits before federal income taxes	\$ 618	\$ 351	\$ 189	\$ 87	\$ 540	<b>\$ 1,785</b>
Tax at 35% corporate rate would be:	\$ 216	\$ 123	\$ 66	\$ 30	\$ 189	<b>\$ 625</b>
Less tax benefits from stock options	-390	-134	-43	-12	-19	<b>-597</b>
Less tax savings from other loopholes, etc.	-104	-94	-36	-1	-173	<b>-409</b>
<b>Federal income taxes paid (+) or rebated (-)</b>	<b>\$ -278</b>	<b>\$ -105</b>	<b>\$ -13</b>	<b>\$ 17</b>	<b>\$ -3</b>	<b>\$ -381</b>

At the 35 percent tax rate, Enron's tax on profits in the past five years would have been \$625 million, but the company was able to use tax benefits from stock options and other loopholes to reduce its five-year tax total to substantially less than zero.

Among the loopholes used to reduce the company's tax liability was the creation of more than 800 subsidiaries in "tax havens" such as the Cayman Islands.