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Corporate Freeloader Chief is Bush's Choice to Head Treasury

John W. Snow, President Bush's choice to replace the fired Paul O'Neill as Secretary of the Treasury, is the CEO of a champion corporate tax dodger, CSX Corporation.

CSX's 2001 annual report states the following company motto: "CSX will pursue all available opportunities to pay the lowest federal, state and foreign taxes."

As a result of those efforts, CSX reports that:

- In three of the past four years, CSX paid no federal income tax at all.
- In fact, instead of paying taxes, CSX supplemented its \$934 million in pretax U.S. profits over the four years with a total of \$164 million in tax rebate checks from the federal government.

"If the President's goal is to encourage even more corporate tax sheltering, then Mr. Snow looks like a fine choice to help him do so," said Robert S. McIntyre, director of Citizens for Tax Justice.

CSX Corporation:

US Profits & Federal Income Taxes or Refunds, 1998-2001

\$-millions	2001	2000	1999	1998	1998-01
Pretax US profit	\$ 347	\$ 154	\$ 46	\$ 387	\$ 934
Federal income tax or rebate (-)	-68	-54	60	-102	-164
Effective tax rate	-19.6%	-34.9%	131%	-26.4%	-17.5%

Notes:

Profits are US pretax profits as reported by the company, less currently payable state and local incomes taxes and a small amount of earnings reported after tax. Federal income taxes are US federal income taxes currently payable as reported, less tax benefits from stock option exercises, which are reported separately. The strangely high tax rate in 1999 reflects payment of \$75 million in taxes previously deferred. Despite that reversal, CSX indefinitely deferred a net total of \$472 million in federal taxes over the four years, largely largely due to excess depreciation write-offs for tax purposes.

Source: CSX annual reports.

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