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Thirty Fortune 500 Companies Paid More to Lobby Congress than they Did in Federal Income Taxes, U.S. PIRG Study Shows

WASHINGTON, January 18, 2012 – With the second anniversary approaching of the Supreme Court’s decision in the *Citizens United* case – which opened the floodgates to corporate spending on elections – U.S. Public Interest Research Group (U.S. PIRG) and Citizens for Tax Justice reveal 30 corporations that spent more to lobby Congress than they did in taxes.

The report, *Representation without Taxation: Fortune 500 Companies that Spend Big on Lobbying and Avoid Taxes* takes a close look at one area where corporate power and influence is on full display: corporate tax policy. By exploiting loopholes and special provisions in the tax code, 280 consistently profitable Fortune 500 companies paid about half the statutory corporate tax rate while spending \$2 billion to lobby Congress on tax policy and other issues. The report also looks at the “Dirty Thirty” particularly aggressive tax avoiders that spent more on federal lobbying than income taxes between 2008 and 2010. Twenty-nine of these corporations actually received a net tax rebate during the three year period of the study.

“The fact that so many corporations can spend more money lobbying than they pay in taxes makes a mockery of our tax code and our democracy,” said U.S. PIRG Democracy Advocate Blair Bowie, co-author of the report.

The report takes a deeper look at one of the most egregious ways corporations skirt taxes – by shifting profits legitimately earned in America to offshore tax havens, where they are subject to little, if any taxes. At least 22 of the thirty companies studied had subsidiaries in tax haven countries.

“Corporations should not be able to shirk their tax burden by using gimmicks to game the tax code,” said Dan Smith, U.S. PIRG Tax and Budget Associate, who co-authored the report. “When corporations don’t pay, ordinary taxpayers and responsible small businesses are left to shoulder pick up the tab.”

The “Dirty Thirty” companies all told made \$163.7 billion in profits while paying zero dollars in federal

income taxes and collecting a total of \$10.6 billion in various tax rebates. Meanwhile, they collectively spent \$475.7 million in lobbying expenses for the three year period.

“On the second anniversary of *Citizens United*, corporate tax dodging should be seen as a cautionary tale. In the wake of that disastrous decision, special interest influence will only continue to grow and policy will reflect that unless we get corporate money out of elections,” Bowie added.

“Large majorities of Americans say corporations pay too little in taxes, and yet members of Congress take no action to close corporate tax loopholes,” said CTJ director Robert McIntyre.

“Lawmakers insist that there is a budget crisis and that Americans must sacrifice some of the essential public services they depend on. But lawmakers do nothing to get corporations to pay their fair share in taxes. The most plausible explanation for lawmakers ignoring their constituents on this issue is the power of corporate money in politics. Campaign contributions and highly-paid lobbyists give corporate executives a louder voice than the millions and millions of working families who wonder why they pay more in taxes than GE, Boeing, Wells Fargo, Verizon, and dozens of other huge, profitable corporations, all put together,” he added.

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