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### Talking Points

- America is in the grip of a societal economic panic. Lawmakers cry “We’re Broke!” as they slash budgets, lay off schoolteachers, police, and firefighters—crumbling our country’s social fabric and leaving many Americans scrambling to survive.

*We’re broke; Broke going on bankrupt.*

— Speaker of the House John Boehner, Feb. 28, 2011

“We’re broke. Like nearly every state across the country, we don’t have any more money. We’ve been broke for years.”

— Wisconsin Governor Scott Walker, Feb. 18, 2011

- Meanwhile, multibillion-dollar American corporations like Exxon, Google and Bank of America are making record profits. And while the deficit climbs and the cuts go deeper, these corporations—with intimate ties to our political leaders—are concealing colossal profits overseas to avoid paying U.S. income tax.

- In 2010, with economic recovery stalled and high unemployment, corporate profits rose 37%. And by the 4th Quarter of 2010 reached 1.68 trillion — an all time high.

- Corporate CEOs whose companies pay nothing or next to nothing in tax to the U.S. government, are raking in enormous paychecks.

- Since 1961, the total percentage of U.S. Federal Income Tax collected from corporations has been cut in half.

- Solutions to solving our budget crisis shouldn’t be limited to austerity cuts. As the debate over deficit reduction and our national priorities continues, the solution must include stopping the loss of massive amounts of revenue due to tax avoidance and evasion.

- The use of offshore tax havens by multinational corporations is so incredibly widespread, that the United States Treasury is losing an estimated \$100 billion per year in revenue. Many experts believe that the total revenue lost to corporate tax loopholes is far greater than this estimate. \$100 billion is equal to the amount congress proposed to cut in 2011 from social, scientific and environmental programs.



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- U.S. corporations are asking congress to give them a tax break by allowing them to bring back (“repatriate”) \$1.4 trillion in profits they claimed to have earned overseas. GE alone is asking to repatriate \$94 billion. If the corporations paid the statutory 35% corporate tax rate instead of the 5.5% they are lobbying for, the American public could see as much as \$400 billion returned to our public coffers.
- Many multinational corporations are now lobbying for what they call a Territorial Tax System. The idea of this type of system is that American multinational corporations would not have to pay any income tax on profits earned overseas. This would be completely detrimental because it would essentially let corporations shift profits offshore so that they would never pay income tax in the United States.
- Over the past 3 decades, there has been a concerted effort by politicians, multinational corporations and Wall Street to promote the idea that taxes are a bad thing, and to rally the American people around the idea that we are an overtaxed country. However, of all western democracies, we are second to last in collecting tax. Countries such as Denmark, Germany and Sweden, all collect much more income tax than the United States, and have thriving economies.
- Citizens can get involved in helping fix the problem by learning about the issues, telling their friends and colleagues, pressuring lawmakers to close corporate loopholes, and by joining the efforts of organizations to demand that corporations that we use in our daily lives contribute back to our country.

### \*\*\*\*\* Tax Dodging Statistics \*\*\*\*\*

- 30 of the top 100 American corporations paid zero income tax in at least one of the last three years (2008-2010).
- GE (2005-2010): U.S. Profit \$5.1 billion; U.S. Federal Income Tax Paid: \$0
- Bank of America (2010): Profit \$4.4 billion; Bailout \$1 trillion; U.S. Federal Income Tax Paid: \$0
- Exxon (2009): Profit: \$19 billion; U.S. Federal Income Tax Paid: \$0
- Chevron (2009): Profit \$10 billion; U.S. Federal Income Tax Paid: \$0



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- Citigroup (2010): Profit \$4 billion; Bailout \$2.5 trillion; U.S. Federal Income Tax Paid: \$0
- The Ugland House, an office building in the Cayman Islands where the corporate income tax rate is zero, is home to 18,857 registered corporations.
- In 2009, Viagra's parent company, Pfizer, increased its net income by \$1 billion by shifting profits overseas.
- There are now 50 countries designated as offshore tax havens.
- Tax Code and Regulations: In 1913, the tax code and regulations were 400 pages; in 2011, they were 72,536 pages.
- From 2007-2009, Google cut its taxes by \$3.1 billion by shifting profits overseas.
- In 2010, GE spent \$39 million lobbying congress—more than any other corporation.
- Over the last 30 years, tax revenue as a percentage of GDP has dropped from 19.6% to 14.9% — cutting total tax revenue to our country by nearly a quarter.
- Americans pay among the lowest taxes in the developed world.
- Since 2006 General Electric has amassed \$94 billion in untaxed profits offshore. They are not alone:
  - Caterpillar • Government Contracts (2006-2011): \$1.7 Billion: Untaxed profits in overseas subsidiaries: \$11 Billion
  - GM • Government Contracts (2010-2011): \$3.6 Billion: Untaxed profits in overseas subsidiaries: \$4.1 Billion
  - Verizon • Government Contracts (2010-2011): \$2.5 Billion: Untaxed profits in overseas subsidiaries: \$1.2 Billion

Thank you to the F.A.C.T. Coalition for their support in helping to develop these talking points.



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