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FACTCOALITION
Financial Accountability & Corporate Transparency

Super Committee Misses Opportunity to Raise Revenue and Protect Jobs through Closing Tax Loopholes

Statement from the Financial Accountability and Corporate Transparency Coalition

WASHINGTON – In debating ways to come up with \$1.2 trillion in savings and revenues, the Super Committee could have addressed the myriad perks, preferences and loopholes in the current tax code, according to Financial Accountability and Corporate Transparency (FACT) Coalition. The coalition believes that ending the off-shoring of revenues and jobs every year by large multi-national corporations could reduce the deficit while at the same time protect American jobs.

“We cannot keep subsidizing corporations through tax loopholes at the expense of everyone else. Creative tax planning should not allow corporations a free pass on contributing to roads, schools and public safety. These give-aways damage our economy and need to be a part of any tax reform conversation we anticipate going forward,” said Nicole Tichon, Executive Director of Tax Justice Network USA and a FACT Coalition member.

A [Citizens for Tax Justice report](#) found that large multinational corporations pay little or no federal income taxes, year after year, while domestic-based businesses large and small commonly pay a quarter or even a third of their income in federal taxes. In fact, 30 Companies averaged a tax bill of less than zero percent in the last three Years, and 78 had at least one no-tax year.

Rebecca Wilkins, Senior Counsel for Federal Tax Policy at Citizens for Tax Justice and FACT Coalition member commented, “The Super Committee lost an opportunity to make a statement about a tax system that lets ordinary citizens pay a higher tax rate than multimillionaires or corporations earnings billions of dollars of profits.”

The FACT Coalition offers alternatives to the damaging tax proposals that could have been part of the deal, and continues to push for reform that:

- Stops corporations, large and small, and millionaire investors from avoiding the taxes that support the essential goods and services that government provides.
- Ends the gaming that has turned corporate tax departments into profit centers.
- Provides sufficient revenues for vital services, job creation, and deficit reduction.

Specifically, FACT seeks a tax reform package that:

1. **Ends Corporate Tax Deferral on Foreign Earnings** and enacts a true worldwide system of taxing U.S.-based multinational corporations. **Enacts Interim Measures** to curtail abuse of current system until a true worldwide system is completely phased in. **Rejects a Repatriation Tax Holiday** that is, in effect, an amnesty for corporations that have dodged their taxes by sending profits and jobs offshore. **Rejects a Territorial System** that would give multinationals a permanent zero rate on their foreign earnings.

2. **Utilizes a “G.E. Rule”** that corporate tax reform should be guided by a principle similar to the “Buffett Rule”: multinational corporations should not be paying tax at a lower rate than the small businesses that line Main Street.

3. **Closes Corporate Tax Loopholes** that allow some profitable companies to pay little or no federal income tax while others pay much higher rates.

4. **Limits Use of S Corporation Rules** that allow companies with billions of dollars in revenue to reap the benefits created for “small business.”

5. **Requires Publicly-Traded Companies to Disclose Actual Taxes Paid to the IRS** so that the public knows the real story about how little taxes some companies pay.

6. **Improves Enforcement and Closes the “Tax Gap”**

- Combats tax haven abuse
- Increases Internal Revenue Service resources
- Requires automatic tax information exchange with other countries
- Enacts country-by-country reporting of financial information by publicly listed companies
- Requires disclosure of the beneficial owners of all U.S. corporations
- Enacts measures requiring MORE, not less, third-party reporting
- Enacts the Tax Lien Simplification Act
- Allows the IRS to publish a Tax Delinquents List

7. **Changes the Rules and Closes Individual Tax Loopholes** that allow millionaires to pay a lower rate than middle-class workers.

[Read the FACT sheet on offshore tax abuse and the revenue that is lost here.](#)

[Read the fact sheet from CTJ on the territorial tax system here.](#)

[Read the full report on corporate tax dodging by CTJ here.](#)

[Read the FACT sheet on repatriation here.](#)

[Read the Permanent Subcommittee on Investigations' Report on Repatriation here.](#)

[Read the Institute for Policy Studies' report on Executive Compensation and tax dodging here.](#)

The FACT Coalition represents a broad range of organizations, including small business, faith-based, public interest and financial transparency group, with an interest in seeing tax loopholes closed due to their impact on jobs, critical programs, small businesses, human rights, corruption and national security. The FACT coalition seeks to achieve greater financial accountability and transparency within financial institutions, corporations and government. We invite you to learn more about us and our members at <http://www.tjn-usa.org/current-campaigns>.