

Corporate Tax Avoidance Under the Tax Cuts and Jobs Act

MATTHEW GARDNER AND STEVE WAMHOFF

Thirty-nine profitable corporations in the S&P 500 or Fortune 500 paid no federal income tax from 2018 through 2020, the first three years that the Tax Cuts and Jobs Act (TCJA) was in effect. The 39 corporations were profitable in each of those three years and, as a group, reported to shareholders that they had generated \$122 billion in profits during that period. Some of these companies paid federal income taxes in one or two of these years, but their total federal income taxes for the three-year period were either \$0 or a negative amount, meaning they received a refund from the IRS for taxes paid in previous years.

A report published by ITEP in April identified 55 corporations that were profitable in 2020 but did not pay federal income taxes for that year.¹ This report expands on that analysis, finding corporate tax avoidance under our current tax laws is a long-term problem that is not unique to any particular year. Several companies appear in both reports because they avoided taxes in both 2020 and over the three-year period, including, for example, Archer Daniels Midland, Booz Allen Hamilton, DISH Network, Duke Energy, FedEx and Salesforce.²

Among the 39 corporations that avoided paying federal income taxes over three years, T-Mobile reported the largest profits. It reported \$11.5 billion in profits over this time but had a federal income tax liability of negative \$80 million, meaning the company received \$80 million in tax refunds.

Besides the 39 companies that paid nothing over three years, an additional 73 profitable corporations paid less than half the statutory corporate income tax rate of 21 percent established under TCJA. As a group, these 73

corporations paid an effective federal income tax rate of just 5.3 percent during these three years, meaning they paid federal income taxes equal to just 5.3 percent of their profits.

Among the 73 corporations that paid less than half of the statutory rate are household names such as Amazon, Bank of America, Deere, Domino's Pizza, Etsy, General Motors, Honeywell, Molson Coors, Motorola, Netflix, Nike, Verizon, Walt Disney, Whirlpool and Xerox—which all paid effective federal income tax rates in the single digits.

Tables 1 and 2 on the following pages illustrate the 39 corporations that paid nothing over three years and the 73 corporations that paid less than half the statutory corporate tax rate over three years. The appendices (pg. 10) include more detailed tables that show what each corporation reported that it earned in profits and paid in federal income taxes for each year.

When lawmakers allow corporations to avoid taxes, the costs to the United States are enormous. Because the statutory income tax rate for corporations is 21 percent, the total tax breaks a corporation receives is simply 21 percent of its profits minus what it paid. The 39 corporations that paid nothing over three years received \$29.7 billion in corporate income tax breaks during that period. In other words, if these companies had paid 21 percent of their profits and received no refunds from the IRS, they would have paid \$29.7 billion more than they did.

The 73 corporations that paid less than half the statutory corporate tax rate over three years received a combined \$67.5 billion in corporate income tax breaks during that time. This amount is 21 percent of their profits, minus what they paid.

TABLE 1

39 Corporations Avoided Federal Income Tax from 2018 through 2020

figures in millions of dollars

Company Name	U.S. Pre-Tax Income	Current Federal Income Tax	Effective Federal Tax Rate	Federal Income Tax Breaks
	2018-2020	2018-2020	2018-2020	2018-2020
Advanced Micro Devices	\$1,655	\$-1	-0.1%	\$349
Agilent Technologies	402	-165	-41.0%	249
Alliant Energy	1,746	-7	-0.4%	373
Ally Financial	4,823	-14	-0.3%	1,027
Ameren	3,064	-12	-0.4%	655
American Electric Power	5,936	-177	-3.0%	1,424
Archer Daniels Midland	2,130	-2	-0.1%	449
Atmos Energy	1,989	-10	-0.5%	428
Ball	598	-11	-1.8%	137
Booz Allen Hamilton Holding	1,673	-196	-11.7%	547
Cabot Oil & Gas	1,828	-157	-8.6%	540
Celanese	2,262	-135	-6.0%	610
CMS Energy	2,488	-133	-5.3%	655
DISH Network	6,577	-13	-0.2%	1,394
Dominion Resources	6,137	-327	-5.3%	1,616
DTE Energy	4,063	-448	-11.0%	1,301
Duke Energy	7,908	-1,227	-15.5%	2,888
Edison International	3,309	-44	-1.3%	739
Evergy	2,077	-134	-6.4%	570
FedEx	8,247	-138	-1.7%	1,870
FirstEnergy	3,696	-46	-1.2%	822
Juniper Networks	617	-47	-7.5%	176
Kinder Morgan	4,910	-44	-0.9%	1,075
Mohawk Industries	611	-20	-3.3%	148
NRG Energy	1,958	0	0.0%	411
Oneok	3,967	0	0.0%	833
Penske Automotive Group	1,322	-68	-5.1%	345
PPL	2,933	-38	-1.3%	654
Principal Financial	4,306	-7	-0.2%	911
Salesforce.com	4,083	-4	-0.1%	861
Sanmina-SCI	262	0	-0.1%	55
SpartanNash	123	-1	-0.5%	26
Telephone & Data Systems	589	-150	-25.5%	274
Textron	1,402	-46	-3.3%	340
T-Mobile US	11,519	-80	-0.7%	2,499
UGI	1,130	-36	-3.2%	273
Westlake Chemical	1,737	-30	-1.7%	395
Williams	3,187	-153	-4.8%	822
Xcel Energy	4,395	-63	-1.4%	986
TOTAL	\$121,659	\$ -4,182	-3.4%	\$29,730

Source: Institute on Taxation and Economic Policy analysis of Securities and Exchange Commission filings of publicly traded corporations



TABLE 2
73 Corporations Paid Less than Half the Statutory Corporate Income Tax Rate
from 2018 through 2020

figures in millions of dollars

Company Name	U.S. Pre-Tax Income	Current Federal Income Tax	Effective Federal Tax Rate	Federal Income Tax Breaks
	2018-2020	2018-2020	2018-2020	2018-2020
Activision Blizzard	\$1,819	\$119	6.5%	\$263
Air Products & Chemicals	2,315	174	7.5%	312
Albemarle	443	18	4.2%	75
Amazon.com	43,437	1,868	4.3%	7,254
American Water Works	2,514	1	0.0%	527
Amphenol	823	13	1.6%	160
Ansys	1,334	130	9.7%	150
Arista Networks	1,444	143	9.9%	160
Arthur J. Gallagher	1,145	50	4.4%	190
Bank of America	77,069	3,044	3.9%	13,140
Bio-Rad Laboratories	3,719	92	2.5%	689
BorgWarner	956	61	6.3%	140
Builders FirstSource	940	68	7.2%	130
Cadence Design Systems	446	31	7.0%	62
Charter Communications	7,037	22	0.3%	1,456
Cincinnati Financial	4,222	295	7.0%	592
Citrix Systems	232	16	6.7%	33
Consolidated Edison	4,768	1	0.0%	1,000
Deere	6,275	387	6.2%	931
Domino's Pizza	1,397	103	7.4%	190
Edwards Lifesciences	690	66	9.5%	79
Etsy	253	2	0.6%	51
Eversource Energy	4,038	221	5.5%	628
Exelon	8,504	337	4.0%	1,449
First Republic Bank	3,149	112	3.6%	549
Fiserv	3,562	189	5.3%	559
Fortive	2,435	146	6.0%	366
General Motors	14,653	22	0.2%	3,055
Graphic Packaging	767	39	5.1%	122
Hartford Financial Services	6,599	400	6.1%	986
Honeywell International	10,204	412	4.0%	1,731
Interpublic Group	1,268	78	6.1%	189
Intuitive Surgical	2,764	206	7.4%	375
Jacobs Engineering Group	715	8	1.2%	142
Jefferies Financial Group	1,434	88	6.1%	213
Kansas City Southern	941	10	1.1%	188
Lincoln National	3,227	211	6.5%	467
ManpowerGroup	516	45	8.7%	63
MDU Resources	1,163	46	3.9%	199

Source: Institute on Taxation and Economic Policy analysis of Securities and Exchange Commission filings of publicly traded corporations

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figures in millions of dollars

Company Name	U.S. Pre-Tax Income	Current Federal Income Tax	Effective Federal Tax Rate	Federal Income Tax Breaks
	2018-2020	2018-2020	2018-2020	2018-2020
Meritor	\$542	\$45	8.3%	\$69
Mettler Toledo	247	13	5.1%	39
Molson Coors	3,598	125	3.5%	630
Motorola Solutions	2,703	225	8.3%	343
Netflix	5,296	24	0.4%	1,089
NextEra Energy	13,520	302	2.2%	2,537
Nike	8,999	293	3.3%	1,597
Northrop Grumman	12,393	1,296	10.5%	1,307
Nvidia	3,895	230	5.9%	588
Paycom	569	45	7.9%	75
PPG Industries	1,332	105	7.9%	175
Public Service Enterprise Group	5,957	372	6.2%	879
PulteGroup	4,362	311	7.1%	605
Reinsurance Group of America	1,576	144	9.2%	187
SAIC	700	48	6.9%	99
Sealed Air	690	54	7.9%	91
Sempra Energy	3,369	6	0.2%	701
Southern	12,224	522	4.3%	2,045
Take-Two Interactive	917	17	1.8%	176
Teleflex	340	29	8.5%	42
Teradyne	698	19	2.7%	128
Thermo Fisher Scientific	8,068	836	10.4%	858
Tyler Technologies	481	11	2.4%	90
Verisign	1,318	49	3.8%	227
Verizon Communications	60,993	5,531	9.1%	7,278
Vertex Pharmaceuticals	4,919	72	1.5%	961
Viacom	4,882	437	9.0%	588
Vulcan Materials	1,997	122	6.1%	298
Walt Disney	29,032	1,949	6.7%	4,148
West Pharmaceutical	512	42	8.2%	66
Westinghouse Air Brake	318	19	5.9%	48
Whirlpool	2,335	157	6.7%	333
Xerox	1,349	46	3.4%	237
XPO Logistics	730	56	7.7%	97
TOTAL	\$430,078	\$22,824	5.3%	\$67,493

Source: Institute on Taxation and Economic Policy analysis of Securities and Exchange Commission filings of publicly traded corporations



BACKGROUND

In April, ITEP identified 55 corporations belonging to either the S&P 500 or Fortune 500 that reported earning profits in 2020 but also reported paying no federal income taxes that year.³

During his address to Congress on April 28, President Biden mentioned this finding as he argued for reforming the nation's corporate income tax laws.⁴ He said:

“A recent study shows that 55 of the nation's biggest corporations paid zero in federal income tax last year. No federal taxes on more than \$40 billion in profits. That's not right. We're going to reform corporate taxes.”

Focusing on a single year provides many insights but, of course, we can learn even more by following corporations' tax liability over time. Some tax experts have pointed out that the tax system is designed to require businesses to pay a reasonable share of their profits in taxes over several years, even if they pay little or nothing in one particular year. Lily Batchelder, who was recently nominated to serve as the Assistant Treasury Secretary for Tax Policy, recently said during a Senate hearing, “I find it helpful to look at what it is individuals or companies are paying over time rather than a one-year snapshot.”⁵

For example, consider a company with losses in one year and profits over the next two years. The losses in one year become a tax benefit in profitable years. The company can carry a portion of the losses forward into each of the two profitable years, reducing the taxable income that the company reports to the IRS during those years. If the rules work properly, the company will pay a reasonable amount of taxes over the three-year period compared to its profits.

But this report demonstrates that the current rules often do *not* work properly. Many corporations were profitable for each of the previous three years and yet they did *not* pay a reasonable amount of taxes compared to their profits during that period.

This analysis is based on the information that publicly traded corporations report to shareholders and potential investors in the 10-K that they submit annually to the Securities and Exchange Commission (SEC). It uses the profits that companies report in their 10-K, as well as the “current” federal income tax they report for the year, which is their best estimate of the corporate federal income tax they will pay for the year.

Some observers have suggested that there are innocuous reasons why the profits a company reports on a 10-K may deviate from the profits it reports to the IRS. This could happen, for example, because the company's fiscal year covered in the 10-K may differ from its tax year.⁶ However, this report demonstrates that even corporations that report profits three years in a row avoid paying federal income taxes during that period, making it impossible to believe that these companies pay enough taxes.

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HOW CORPORATIONS AVOID TAXES

The tax avoidance illustrated in this analysis is mainly the result of provisions enacted by Congress. Lawmakers often justify these provisions as necessary to achieve some important goal, but they seem to accomplish little beyond reducing tax revenue that could pay for public investments.

Accelerated Depreciation

For example, provisions for accelerated depreciation allow companies to write off the costs of investments in equipment more quickly than the equipment wears out and loses value. The most likely outcome is that this rewards companies for making investments they would have made absent any tax break.⁷ The Tax Cuts and Jobs Act allows companies to immediately write off the full costs of investments, which is the most extreme version of accelerated depreciation.

During the period covered by this report, Amazon saved \$4.8 billion through accelerated depreciation while Walt Disney saved \$3.9 billion and Verizon saved \$2.1 billion. General Motors saved \$1.3 billion in this way and FedEx saved \$1.1 billion.

In theory, accelerated depreciation is merely a shift in the timing of tax payments. Deductions that would otherwise be taken later are taken now, and taxes that would otherwise be paid now are paid later. But companies that continue to take advantage of accelerated depreciation can make this benefit last a very long time or indefinitely and essentially enjoy interest-free loans from the IRS.

Stock Options

Some companies reduce their taxes by using a break for stock options that they typically pay to their executives. This tax break allows companies to write off stock-option related expenses for tax purposes that go far beyond expenses they report to investors.⁸

For example, the tax savings that Salesforce.com, Amazon and Molson Coors report that they obtain from stock options accounted for more than 60 percent of their total tax breaks over the 2018-2020 period.

Tax Credits

Tax breaks for stock options and accelerated depreciation allow companies to report smaller profits to the IRS than they report to shareholders and potential investors in their 10-K. In some cases, corporations may simply pay 21 percent of the profits they report to the IRS as federal income taxes. But many corporations use tax credits to further reduce their tax liability.

The most significant tax credit is the research and development (R&D) tax credit, which is supposed to encourage innovation but probably rewards companies for research they would have conducted in the absence of any tax break.

Most corporations do not explain in their 10-K how much they save specifically through the R&D tax credit, but some do. For example, Nike reports \$160 million in tax



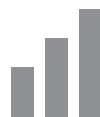
savings during these three years from the R&D credit, which comes to 10 percent of its tax breaks. Netflix reports that it saved \$389 million from the credit, which comes to 36 percent of its tax breaks. No one would object to Nike investing its own money in research to learn how to make more comfortable shoes or Netflix investing its own money to create new ways to entertain us. But it is another question entirely whether that research should be subsidized through the tax code.

Offshore Profit-Shifting

Another likely explanation of the tax avoidance we identify is offshore profit-shifting. The analysis in this report is based on the U.S. federal income taxes that companies pay on the profits they report (to shareholders and potential investors) having earned in the United States. However, it is possible that some of these profits are reported quite differently to the IRS.

Corporations can use convoluted accounting schemes to make the profits they earn in the United States appear to be earned in countries like Ireland, which has a very low corporate tax rate, or countries like Bermuda and the Cayman Islands, which have no corporate tax.

The drafters of the Tax Cuts and Jobs Act (TCJA) passed up an opportunity to stop American corporations from shifting profits in this way to offshore tax havens.⁹ For example, many or most of the profits that American corporations report earning through their offshore subsidiaries are not subject to U.S. taxes at all. When they are, the tax rate they pay does not exceed 10.5 percent, just half of the rate that applies to domestic profits under the TCJA.



HOW PROPOSALS FROM THE BIDEN ADMINISTRATION WOULD ADDRESS CORPORATE TAX AVOIDANCE

President Biden has proposed to raise the statutory federal corporate income tax rate from 21 percent to 28 percent and end or limit many of the breaks that allow corporations to avoid taxes.

For example, all profits that American corporations report that they earn through their offshore subsidiaries would be subject to a combined worldwide rate of 21 percent. This means that if an American corporation reports foreign profits that are taxed at a rate of less than 21 percent by the relevant foreign government, the United States would impose a tax equal to the difference.

Congress could also directly repeal or limit the other tax breaks described here (accelerated depreciation, the stock options tax break, and the research and development credit). President Biden's tax plan does not address these tax breaks directly, but it does propose to limit some breaks for the largest corporations by imposing a minimum tax equal to 15 percent of the profits that a company reports to shareholders and potential investors.

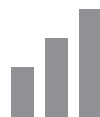
The President's proposed minimum tax would only apply to corporations with income of more than \$2 billion in a given year. Corporations would be required to pay whatever is greater, their tax liability under the normal rules, or 15 percent of their "book" income, which is the profits they report on their 10-K.

While Congress could go much further, these reforms could dramatically limit the most significant corporate tax avoidance that our analyses have identified.

Another ITEP report published in April provides more detail about why corporate tax avoidance occurs and what Congress can do about it.¹⁰

Acknowledgments

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ENDNOTES

- 1 Matthew Gardner and Steve Wamhoff, “55 Corporations Paid \$0 in Federal Taxes on 2020 Profits,” Institute on Taxation and Economic Policy, April 2, 2021. <https://itep.org/55-profitable-corporations-zero-corporate-tax/>
- 2 Our report identifying 55 corporate nonpayers in 2020 also identified 26 that paid nothing over three years, but this was a subset of the 55 companies that paid nothing in 2020. In this report we find that a total of 39 corporations were profitable in each of those three years but paid no federal income taxes over that three-year period. This includes the 26 corporations that also did not pay federal income taxes in 2020 but it also includes additional corporations that did pay in 2020 but nonetheless saw their combined tax liability over the three-year period sum up to zero dollars or less.
- 3 Matthew Gardner and Steve Wamhoff, “55 Corporations Paid \$0 in Federal Taxes on 2020 Profits,” Institute on Taxation and Economic Policy, April 2, 2021. <https://itep.org/55-profitable-corporations-zero-corporate-tax/>
- 4 Craig Harris, “Biden Cites Left-Leaning Study that 55 of Top U.S. Companies Paid No Federal Income Taxes,” USA Today, February 29, updated May 1, 2021. <https://www.usatoday.com/story/money/2021/04/29/president-biden-cites-study-saying-55-big-u-s-firms-paid-no-fed-taxes/4889916001/>
- 5 Senate Committee on Finance, Hearing to Consider the Pending Nominations of Lily Lawrence Batchelder to be an Assistant Secretary of the Treasury, Benjamin Harris to be an Assistant Secretary of the Treasury, J. Nellie Liang to be an Under Secretary of the Treasury, and Jonathan Davidson to be Deputy Under Secretary of the Treasury, May 25, 2021 (at 1:21:16). <https://www.finance.senate.gov/hearings/hearing-to-consider-the-pending-nominations-of-lily-lawrence-batchelder-to-be-an-assistant-secretary-of-the-treasury-benjamin-harris-to-be-an-assistant-secretary-of-the-treasury-j-nellie-liang-to-be-an-under-secretary-of-the-treasury-and-jonathan-davidson-to-be-deputy-under-secretary-of-the-treasury>
- 6 For example, see comments from Douglas Holtz-Eakin in Louis Jacobson, “Fact-Checking Joe Biden on How Little Some Corporations Pay in Taxes,” PolitiFact, April 12, 2021. <https://www.politifact.com/factchecks/2021/apr/12/joe-biden/fact-checking-joe-biden-corporation-taxes/>
- 7 Steve Wamhoff and Richard Phillips, “The Failure of Expensing and Other Depreciation Tax Breaks,” November 19, 2018, Institute on Taxation and Economic Policy. <https://itep.org/the-failure-of-expensing-and-other-depreciation-tax-breaks/>
- 8 Elise Bean, Matthew Gardner and Steve Wamhoff, “How Congress Can Stop Corporations from Using Stock Options to Dodge Taxes,” December 10, 2019, Institute on Taxation and Economic Policy. <https://itep.org/how-congress-can-stop-corporations-from-using-stock-options-to-dodge-taxes/>
- 9 Steve Wamhoff, “The New International Corporate Tax Rules: Problems and Solutions,” June 6, 2018, Institute on Taxation and Economic Policy. <https://itep.org/the-new-international-corporate-tax-rules-problems-and-solutions/>
- 10 Amy Hanauer, “Corporate Tax Reform in the Wake of the Pandemic,” April 2, 2021, Institute on Taxation and Economic Policy. <https://itep.org/corporate-tax-reform-in-the-wake-of-the-pandemic/>

Appendix 1

39 Corporations Avoided Federal Income Tax from 2018 through 2020

figures in millions of dollars

Company Name	U.S. Pre-Tax Income	Current Federal Income Tax	Effective Federal Tax Rate	U.S. Pre-Tax Income			Current Federal Income Tax			Effective Federal Tax Rate		
	2018-2020	2018-2020	2018-2020	2020	2019	2018	2020	2019	2018	2020	2019	2018
Advanced Micro Devices	\$1,655	\$-1	-0.1%	\$1,208	\$333	\$114	\$0	\$-13	\$12	\$0%	\$-4%	11%
Agilent Technologies	402	-165	-41.0%	49	185	168	5	-191	21	10%	-103%	13%
Alliant Energy	1,746	-7	-0.4%	559	612	575	1	-7	-1	0%	-1%	0%
Ally Financial	4,823	-14	-0.3%	1,334	1,902	1,587	0	-2	-12	0%	0%	-1%
Ameren	3,064	-12	-0.4%	1,032	997	1,035	2	-4	-10	0%	0%	-1%
American Electric Power	5,936	-177	-3.0%	2,163	1,830	1,943	-138	-7	-32	-6%	0%	-2%
Archer Daniels Midland	2,130	-2	-0.1%	438	745	947	-164	37	125	-37%	5%	13%
Atmos Energy	1,989	-10	-0.5%	747	642	600	0	0	-10	0%	0%	-2%
Ball	598	-11	-1.8%	193	217	188	-33	-1	23	-17%	0%	12%
Booz Allen Hamilton Holding	1,673	-196	-11.7%	623	561	489	-227	-3	34	-36%	0%	7%
Cabot Oil & Gas	1,828	-157	-8.6%	240	896	691	-32	-30	-95	-13%	-3%	-14%
Celanese	2,262	-135	-6.0%	1,530	252	480	13	-6	-142	1%	-2%	-30%
CMS Energy	2,488	-133	-5.3%	885	829	774	-35	-31	-67	-4%	-4%	-9%
DISH Network	6,577	-13	-0.2%	2,532	1,900	2,145	-231	173	44	-9%	9%	2%
Dominion Resources	6,137	-327	-5.3%	1,492	1,624	3,021	-314	32	-45	-21%	2%	-1%
DTE Energy	4,063	-448	-11.0%	1,531	1,317	1,215	-247	-184	-17	-16%	-14%	-1%
Duke Energy	7,908	-1,227	-15.5%	826	4,053	3,029	-281	-299	-647	-34%	-7%	-21%
Edison International	3,309	-44	-1.3%	588	1,121	1,600	13	0	-57	2%	0%	-4%
Evergy	2,077	-134	-6.4%	722	758	597	-27	-40	-67	-4%	-5%	-11%
FedEx	8,247	-138	-1.7%	4,716	1,218	2,312	199	-230	-107	4%	-19%	-5%
FirstEnergy	3,696	-46	-1.2%	1,108	1,093	1,495	-14	-16	-16	-1%	-1%	-1%
Juniper Networks	617	-47	-7.5%	184	282	152	73	6	-126	40%	2%	-83%
Kinder Morgan	4,910	-44	-0.9%	654	2,472	1,784	-20	-2	-22	-3%	0%	-1%
Mohawk Industries	611	-20	-3.3%	87	151	373	-34	19	-6	-39%	13%	-1%
NRG Energy	1,958	0	0.0%	727	769	462	0	0	0	0%	0%	0%
Oneok	3,967	0	0.0%	801	1,650	1,516	1	-1	0	0%	0%	0%
Penske Automotive Group	1,322	-68	-5.1%	505	424	393	-78	24	-13	-15%	6%	-3%
PPL	2,933	-38	-1.3%	878	945	1,110	-9	-10	-19	-1%	-1%	-2%
Principal Financial	4,306	-7	-0.2%	1,318	1,347	1,641	16	32	-55	1%	2%	-3%
Salesforce.com	4,083	-4	-0.1%	2,630	653	800	-12	8	0	0%	1%	0%
Sanmina-SCI	262	0	-0.1%	95	151	16	-1	1	0	-1%	1%	-1%
SpartanNash	123	-1	-0.5%	80	3	40	2	-1	-2	2%	-33%	-4%
Telephone & Data Systems	589	-150	-25.5%	241	170	178	-175	15	10	-73%	9%	6%
Textron	1,402	-46	-3.3%	202	652	548	-1	-48	3	0%	-7%	1%
T-Mobile US	11,519	-80	-0.7%	3,409	4,487	3,623	-17	-24	-39	0%	-1%	-1%
UGI	1,130	-36	-3.2%	420	264	446	-85	52	-3	-20%	20%	-1%
Westlake Chemical	1,737	-30	-1.7%	227	451	1,059	-208	20	158	-92%	4%	15%
Williams	3,187	-153	-4.8%	278	1,075	1,834	-29	-41	-83	-10%	-4%	-5%
Xcel Energy	4,395	-63	-1.4%	1,465	1,496	1,434	-13	-16	-34	-1%	-1%	-2%
TOTAL	\$121,659	\$ -4,182	-3.4%									

Source: Institute on Taxation and Economic Policy analysis of Securities and Exchange Commission filings of publicly traded corporations



Appendix 2

73 Corporations Paid Less than Half the Statutory Corporate Income Tax Rate from 2018 through 2020

figures in millions of dollars

Company Name	U.S. Pre-Tax Income	Current Federal Income Tax	Effective Federal Tax Rate	U.S. Pre-Tax Income			Current Federal Income Tax			Effective Federal Tax Rate		
	2018-2020	2018-2020	2018-2020	2020	2019	2018	2020	2019	2018	2020	2019	2018
Activision Blizzard	\$1,819	\$119	6.5%	\$1,068	\$304	\$447	\$206	\$136	-\$223	19%	45%	-50%
Air Products & Chemicals	2,315	174	7.5%	944	700	671	27	164	-17	3%	23%	-3%
Albemarle	443	18	4.2%	42	185	217	0	21	-3	0%	12%	-1%
Amazon.com	43,437	1,868	4.3%	19,593	13,009	10,835	1,835	162	-129	9%	1%	-1%
American Water Works	2,514	1	0.0%	924	829	761	0	0	1	0%	0%	0%
Amphenol	823	13	1.6%	310	319	194	-16	12	17	-5%	4%	9%
Ansys	1,334	130	9.7%	453	439	443	27	45	58	6%	10%	13%
Arista Networks	1,444	143	9.9%	601	709	135	79	58	6	13%	8%	5%
Arthur J. Gallagher	1,145	50	4.4%	488	377	280	44	4	3	9%	1%	1%
Bank of America	77,069	3,044	3.9%	17,171	29,798	30,100	1,092	1,136	816	6%	4%	3%
Bio-Rad Laboratories	3,719	92	2.5%	2,328	1,030	361	70	13	9	3%	1%	2%
BorgWarner	956	61	6.3%	435	306	215	19	32	10	4%	10%	4%
Builders FirstSource	940	68	7.2%	408	276	255	66	4	-2	16%	1%	-1%
Cadence Design Systems	446	31	7.0%	250	137	60	15	15	1	6%	11%	1%
Charter Communications	7,037	22	0.3%	3,680	1,994	1,363	-7	6	23	0%	0%	2%
Cincinnati Financial	4,222	295	7.0%	1,499	2,472	251	147	137	11	10%	6%	4%
Citrix Systems	232	16	6.7%	44	30	158	6	8	2	13%	26%	2%
Consolidated Edison	4,768	1	0.0%	1,227	1,748	1,793	-2	0	3	0%	0%	0%
Deere	6,275	387	6.2%	2,029	2,094	2,152	400	545	-558	20%	26%	-26%
Domino's Pizza	1,397	103	7.4%	531	459	408	20	50	34	4%	11%	8%
Edwards Lifesciences	690	66	9.5%	103	335	253	23	31	11	23%	9%	4%
Etsy	253	2	0.6%	203	13	37	5	-4	1	2%	-29%	2%
Eversource Energy	4,038	221	5.5%	1,540	1,180	1,319	74	57	90	5%	5%	7%
Exelon	8,504	337	4.0%	2,291	3,980	2,233	26	85	226	1%	2%	10%
First Republic Bank	3,149	112	3.6%	1,189	1,028	933	43	28	41	4%	3%	4%
Fiserv	3,562	189	5.3%	1,100	1,014	1,448	-25	25	189	-2%	2%	13%
Fortive	2,435	146	6.0%	1,194	561	680	59	39	47	5%	7%	7%
General Motors	14,653	22	0.2%	6,609	3,724	4,320	84	42	-104	1%	1%	-2%
Graphic Packaging	767	39	5.1%	181	303	284	23	7	9	13%	2%	3%
Hartford Financial Services	6,599	400	6.1%	2,222	2,624	1,753	410	8	-18	18%	0%	-1%
Honeywell International	10,204	412	4.0%	3,239	4,135	2,830	475	8	-71	15%	0%	-3%
Interpublic Group	1,268	78	6.1%	284	547	438	-53	92	38	-19%	17%	9%
Intuitive Surgical	2,764	206	7.4%	905	1,027	832	34	82	90	4%	8%	11%
Jacobs Engineering Group	715	8	1.2%	213	219	283	-37	26	20	-17%	12%	7%
Jefferies Financial Group	1,434	88	6.1%	745	442	247	90	-10	7	12%	-2%	3%
Kansas City Southern	941	10	1.1%	327	249	366	-2	22	-11	-1%	9%	-3%
Lincoln National	3,227	211	6.5%	423	919	1,885	-61	181	91	-14%	20%	5%
ManpowerGroup	516	45	8.7%	57	266	193	5	17	23	9%	6%	12%
MDU Resources	1,163	46	3.9%	454	395	314	65	-4	-16	14%	-1%	-5%

Source: Institute on Taxation and Economic Policy analysis of Securities and Exchange Commission filings of publicly traded corporations

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figures in millions of dollars

Company Name	U.S. Pre-Tax Income	Current Federal Income Tax	Effective Federal Tax Rate	U.S. Pre-Tax Income			Current Federal Income Tax			Effective Federal Tax Rate		
	2018-2020	2018-2020	2018-2020	2020	2019	2018	2020	2019	2018	2020	2019	2018
Meritor	\$542	\$45	8.3%	\$264	\$193	\$85	\$20	\$1	\$24	8%	1%	28%
Mettler Toledo	247	13	5.1%	89	103	55	6	3	3	7%	3%	6%
Molson Coors	3,598	125	3.5%	1,147	1,127	1,325	79	69	-23	7%	6%	-2%
Motorola Solutions	2,703	225	8.3%	1,029	714	960	117	94	14	11%	13%	1%
Netflix	5,296	24	0.4%	2,723	1,674	899	24	21	-22	1%	1%	-2%
NextEra Energy	13,520	302	2.2%	2,395	3,836	7,289	105	167	30	4%	4%	0%
Nike	8,999	293	3.3%	5,589	2,873	537	328	-109	74	6%	-4%	14%
Northrop Grumman	12,393	1,296	10.5%	3,716	4,308	4,369	246	758	292	7%	18%	7%
Nvidia	3,895	230	5.9%	1,436	616	1,843	197	65	-32	14%	11%	-2%
Paycom	569	45	7.9%	179	219	171	15	18	12	8%	8%	7%
PPG Industries	1,332	105	7.9%	184	581	567	12	86	7	7%	15%	1%
Public Service Enterprise Group	5,957	372	6.2%	2,253	1,932	1,772	385	84	-97	17%	4%	-5%
PulteGroup	4,362	311	7.1%	1,703	1,318	1,340	160	196	-44	9%	15%	-3%
Reinsurance Group of America	1,576	144	9.2%	79	871	626	75	-9	78	95%	-1%	13%
SAIC	700	48	6.9%	257	283	160	34	10	4	13%	4%	3%
Sealed Air	690	54	7.9%	323	122	245	-14	62	6	-4%	51%	3%
Sempra Energy	3,369	6	0.2%	1,483	1,205	681	0	0	6	0%	0%	1%
Southern	12,224	522	4.3%	3,396	6,267	2,561	199	156	167	6%	2%	7%
Take-Two Interactive	917	17	1.8%	462	321	134	18	0	-2	4%	0%	-2%
Teleflex	340	29	8.5%	223	81	36	11	19	-2	5%	24%	-4%
Teradyne	698	19	2.7%	313	197	188	59	19	-59	19%	10%	-31%
Thermo Fisher Scientific	8,068	836	10.4%	4,582	2,216	1,270	521	267	48	11%	12%	4%
Tyler Technologies	481	11	2.4%	176	153	152	-11	13	9	-6%	8%	6%
Verisign	1,318	49	3.8%	447	451	420	-124	74	99	-28%	16%	24%
Verizon Communications	60,993	5,531	9.1%	21,763	20,681	18,549	2,826	518	2,187	13%	3%	12%
Vertex Pharmaceuticals	4,919	72	1.5%	2,867	1,250	803	71	0	1	2%	0%	0%
Viacom	4,882	437	9.0%	2,280	1,283	1,319	160	210	67	7%	16%	5%
Vulcan Materials	1,997	122	6.1%	709	710	578	69	31	21	10%	4%	4%
Walt Disney	29,032	1,949	6.7%	4,558	12,277	12,197	95	14	1,840	2%	0%	15%
West Pharmaceutical	512	42	8.2%	224	159	130	29	11	2	13%	7%	2%
Westinghouse Air Brake	318	19	5.9%	61	117	139	6	6	7	10%	5%	5%
Whirlpool	2,335	157	6.7%	986	632	717	90	177	-110	9%	28%	-15%
Xerox	1,349	46	3.4%	345	662	341	3	28	15	1%	4%	4%
XPO Logistics	730	56	7.7%	41	376	313	36	18	2	88%	5%	1%
TOTAL	\$ 430,078	\$ 22,824	5.3%									

Source: Institute on Taxation and Economic Policy analysis of Securities and Exchange Commission filings of publicly traded corporations

