## 538 Organizations to Congress: Close Offshore Corporate Tax Loopholes – Invest in the U.S.

November 5, 2013

Dear Senator:

As the U.S. Senate debates spending priorities and the budget sequester this fall, the 538 organizations listed below believe raising revenue by closing unjustified tax loopholes used by the wealthy and corporations should be at the top of every lawmaker's list.

President Obama and Congress have already <u>cut \$1.8 trillion in spending (including interest)</u> and <u>raised just \$600 billion in new tax revenues</u>. That's \$3 in cuts for every \$1 in new revenue, an outcome that is neither balanced nor fair. Meanwhile, corporations have not contributed a dime to reduce the deficit and no corporate tax loopholes have been closed.

We write to express our strong support for the **Stop Tax Haven Abuse Act (S. 1533)** – introduced by Senators Carl Levin (D-MI), Mark Begich (D-AK), Jeanne Shaheen (D-NH) and Sheldon Whitehouse (D-RI) – **ask that you become a co-sponsor of this important legislation**. It would <u>raise \$220 billion over ten years by closing numerous tax loopholes</u> that encourage U.S. corporations to move jobs, profits and operations offshore and avoid paying their fair share of taxes. Congress is facing tough choices about our government's budget, but these loopholes should be considered easy targets.

Passage of this legislation is critical for several reasons:

- Corporations should pay their fair share of taxes. Large American corporations such as American Express, Apple, Dell, Eli Lilly, Microsoft, Nike hold their profits in offshore tax havens because they are taxed very little or not at all. The cost to taxpayers of offshore tax-avoidance by corporations is estimated to be nearly \$100 billion a year, according to academic experts. All told, U.S. companies have almost \$2 trillion in profits offshore, much of it in tax havens where they conduct no real business, but have set up a shell company that is often nothing more than a P.O. Box. In fact, 18,857 corporate entities are registered at one modest five-story building in the Cayman Islands.
- By closing some of the most egregious offshore tax loopholes, S. 1533 would save taxpayers \$220 billion enough to replace the next round of budget sequester cuts, invest in America and improve our nation's finances. The Congressional Budget Office estimates we will lose another 800,000 jobs in 2014 due to the \$110 billion in new cuts to benefits and services under the sequester. Our economy and our families cannot afford that.
- America should stop giving corporations tax subsidies to export jobs. Multinational corporations are currently allowed to indefinitely "defer" paying U.S. taxes on their foreign profits, and this tax loophole acts as a powerful incentive to shift profits and jobs overseas. The Levin bill does not go so far as to repeal the tax deferral loophole, as would a

bill introduced by Sen. Sanders (S. 250) that would raise \$583 billion over the next decade. However, enactment of S. 1533 would be an important step in limiting incentives for multinational corporations to shift jobs and profits offshore.

We need to level the playing field between big corporations and small businesses.
 Tax-haven abuse by large multinational corporations puts small businesses – and even large domestic firms – at a competitive disadvantage in the marketplace. Along with individual taxpayers, they must shoulder the additional tax bill or face a reduction in public services that they depend on. The average small business would pay an extra \$3,000 a year to cover the cost of offshore tax dodging by large corporations, according to a <a href="U.S. PIRG report.">U.S. PIRG report.</a>
 Middle class workers and small businesses that play by the rules and take responsibility for paying their fair share should not have to subsidize companies like Apple and Nike.

Fortunately, the Stop Tax Haven Abuse Act would close many of the tax avoidance loopholes commonly used by some of America's largest and most profitable companies. For example:

- Apple made profits of \$74 billion from 2009-2012 on worldwide sales (excluding the Americas) and <u>paid virtually nothing</u> in taxes to any country, according to the U.S. Senate Permanent Subcommittee on Investigations (PSI). The sales were attributed to Irish subsidiaries, where the companies paid a tax rate of less than 1%.
- Microsoft avoided paying at least \$6.5 billion in U.S. taxes from 2009 to 2011 using offshore tax loopholes, according to the U.S. Senate PSI.
- Hewlett-Packard <u>essentially funded its operations for four years, tax-free</u>, by using two
  offshore subsidiaries—in Belgium and the Cayman Islands—that made alternating shortterm loans of billions of dollars to the parent company, according to the U.S. Senate PSI.
- Nike has \$6.7 billion in profits "permanently reinvested" in shell companies overseas, on which it has paid zero U.S. income taxes and paid practically no foreign tax as well, according to the nonpartisan research organization Citizens for Tax Justice.

Cracking down on offshore tax abuses should be at the top of the congressional "to do" list. Closing these loopholes can provide a means to replace the sequester, reform the tax code, reduce the deficit and rebuild roads and bridges. Please stand with us by co-sponsoring the Stop Tax Haven Abuse Act to ensure that corporations begin to pay their fair share of taxes.

Sincerely,

9to5
Academics Stand Against Poverty
AFL-CIO
AFL-CIO Department of Professional Employees
AchieveOurDreams.org
Action for the Common Good
Alliance for a Just Society
Alliance for Retired Americans
American Federation of Government Employees
American Federation of State, County and Municipal Employees

American Federation of Teachers

American Friends Service Committee

American Sustainable Business Council

Americans for Democratic Action

Americans for Tax Fairness

**Business for Shared Prosperity** 

Campaign for America's Future

Campaign for Community Change

Center for American Progress

Center for Biological Diversity

Center for Effective Government

Center for Popular Democracy

Citizens for Tax Justice

Children's Defense Fund

Coalition on Human Needs

Color of Change

**Communications Workers of America** 

**Community Action Partnership** 

CourageCampaign.org

**Croatan Institute** 

**Daily Kos** 

**Democracy for America** 

Demos

**Domini Social Investments** 

**Economic Policy Institute** 

EG Justice

**Every Child Matters Education Fund** 

Fair Share

Faith in Public Life

Financial Accountability & Corporate Transparency (FACT) Coalition

Food and Water Watch

Franciscan Action Network

Friends of the Earth

Gamaliel

Global Financial Integrity

Government Accountability Project

Health Care for America Now

International Brotherhood of Teamsters

In the Public Interest

Jobs with Justice

Jubilee USA Network

Lake Research Partners

Leadership Conference on Civil and Human Rights

Librarian's Guild

Main Street Alliance

Missionary Oblates

MomsRising

MoveOn.org Civic Action

National Advocacy Center of the Sisters of the Good Shepherd

National Alliance of HUD Tenants

National Association of Social Workers

National Coalition for the Homeless

National Committee to Preserve Social Security and Medicare

National Council of Jewish Women

National Council of Women's Organizations

**National Education Association** 

National Immigration Law Center

**National Low Income Housing Coalition** 

National People's Action

**National Priorities Project** 

**National Treasury Employees Union** 

National Women's Law Center

**NETWORK: A Catholic Social Justice Lobby** 

New Rules for Global Finance

Oblates of Mary Immaculate

Oxfam America

P.H. Balanced Films

Partnership for Working Families

People For the American Way

**Progressive Asset Management** 

**Progressive Democrats of America** 

**Progressive States Network** 

**Progressives United** 

Promise the Children

Public Citizen

Racial and Ethnic Health Disparities Coalition

Rebuild the Dream

Responsible Wealth

**RESULTS** 

Service Employees International Union

Spring Water Asset Management

Sum of Us

Tax Justice Network

The Arc

The Every Child Matters Education Fund

United Automobile, Aerospace and Agricultural Implement Workers of America,

International Union

United Electrical, Radio and Machine Workers of America

United for a Fair Economy

**United Steelworkers** 

U.S. Public Interest Research Group

**USAction** 

Voices for Progress
Wealth for the Common Good

**Working America** 

## STATE ORGANIZATIONS

Arizona AFSCME Local 2960

Arizona Arizona Advocacy Network

Arizona Arizona AFL-CIO Arizona Arizona Fair Share

Arizona Arizona PIRG

Arizona Protecting Arizona's Family Coalition (PAFCO)

Arizona SEIU Arizona

Arkansas AFSCME Council 38

Arkansas Arkansas Community Institute
Arkansas Arkansas Community Organizations
Arkansas Arkansas Education Association
Arkansas Interfaith Alliance

Arkansas Arkansas Interfaith Committee for Worker Justice
Arkansas Women's Action for New Directions

Arkansas Barraque Street Missionary Baptist Church, Pine Bluff

Arkansas First Presbyterian Church, Little Rock

Arkansas Motley Chapel Missionary Baptist Church, Pine Bluff

Arkansas OMNI Center for Peace, Justice & Ecology
Arkansas Rose Hill Missionary Baptist Church, Pine Bluff

Arkansas United Labor Unions, Local 100

Arkansas Word of Faith Full Gospel Church, Pine Bluff

Arkansas Workers United California ADA-SoCal

California AFSCME California
California AFSCME Council 57

California AFSCME District Council 36

California AFSCME Local 2076
California AFSCME Local 830
California California Fair Share

California CALPIRG

California Central Coast Alliance United for a Sustainable Economy (CAUSE)

California United Nurses Association of California

Colorado 9to5 Colorado
Colorado AFSCME Colorado
Colorado AFSCME Council 76

Colorado Education Association

Colorado Colorado Fair Share
Colorado Colorado Fiscal Institute

Colorado Colorado PIRG

Colorado Progressive Action

Colorado Progressive Coalition

Colorado Servicios de la Raza

Colorado United Transportation Union

Colorado Vote Vets

Connecticut AFT Connecticut

Connecticut Connecticut Alliance for Retired Americans
Connecticut Connecticut Association of Nonprofits
Connecticut Citizen Action Group

Connecticut Connecticut Common Cause

Connecticut Connecticut Education Association

Connecticut Connecticut PIRG

Connecticut Working Families Party

Connecticut Legal Assistance Resource Center of Connecticut
Connecticut National Association of Social Workers, CT Chapter

Delaware 32BJ SEIU

Delaware Americans for Democratic Action, Delaware Chapter
Delaware Coalition of Black Trade Unionists, Delaware Chapter

Delaware AFL-CIO

Delaware Alliance for Community Advancement

Delaware Ecumenical Council on Children and Families

Delaware State Education Association
Delaware Latin American Community Center

Delaware National Association of Social Workers; Delaware Chapter
Delaware National Organization for Women, Delaware Chapter

Delaware Pacem in Terris

Delaware Progressive Democrats for Delaware

Delaware Progressive Democrats of Sussex County

Delaware Public Employees Council 81 AFSCME

Delaware The Delaware Community Reinvestment Action Council, Inc.

Delaware The Interdenominational Ministers Action Council of DE

Florida Awake Pinellas

Florida Center for Independent Living of S. Florida, Inc.

Florida Community Business Association Florida Farmworker Association of Florida

Florida Florida AFSCME Council 79

Florida Florida Alliance for Retired Americans

Florida Florida Center for Fiscal and Economic Policy

Florida Florida Chain

Florida Florida Consumer Action Network

Florida Florida PIRG

Florida Labor Council for Latin American Advancement, Central FL

Florida NAACP, St. Petersburg Chapter

Florida Organize Now
Florida Progress Florida
Florida SEIU Florida

Florida South Florida Voices for Working Families
Florida United Chinese Association of Florida

Georgia 9 to 5 Atlanta

Georgia Atlanta North Georgia Labor Council

Georgia Coffee Party Savannah Georgia Georgia Fair Share

Georgia Public Interest Research Group

Georgia Georgia Rural/Urban Summit
Georgia Georgia Student Justice Alliance

Georgia Women's Action for New Directions

Georgia MoveOn Atlanta Georgia MoveOn Gwinnett

Georgia National Council of Jewish Women, Atlanta Section

Hawaii State Teachers Association Idaho Idaho Community Action Network

Idaho United Action for Idaho Illinois AFSCME Local 3282

Illinois AIDS Foundation of Chicago

Illinois Americans for Democratic Action, Northeastern Illinois

Illinois Autism Society of Illinois
Illinois Citizen Action of Illinois
Illinois Eco-Justice Collaborative
Illinois Housing Action Illinois

Illinois IIRON

Illinois AFL-CIO

Illinois AFSCME Council 31

Illinois Illinois Alliance for Retired Americans

Illinois Illinois Fair Share Illinois People's Action

Illinois PIRG

Illinois National Council of Jewish Women, Illinois

Illinois Northside P.O.W.E.R
Illinois ONE Northside

Indiana American Bikers Aimed Towards Education

Indiana Call to Action Michiana

Indiana Indiana Alliance for Retired Americans
Indiana Indiana Organizing Project Gamaliel

Indiana PIRG

Indiana Just Peace Seminars Goshen Indiana

Indiana Let's Move Michiana

Indiana Michiana Coalition for Peace and Justice

Indiana Move On. Org Michiana Chapter
Indiana North Central Indiana AFL-CIO

Indiana Northern Indiana Americans for Democratic Action

Indiana SEIU Health Care Illinois Indiana

Indiana St. John's Catholic Church Goshen Core Group
Indiana St. Joseph Valley Project Jobs with Justice

Indiana TAP Transitioning Action through Power South Bend

Indiana West Side Democratic Club South Bend Iowa Americans for Democratic Action Iowa

Iowa ECO Maids Iowa AFL-CIO

Iowa AFSCME Council 61

Iowa Alliance for Retired Americans

Iowa Citizen Action Network

Iowa Citizens for Community Improvement

Iowa Iowa Fairshare Alliance
Iowa Iowa Main Street Alliance
Iowa Iowa Move to Amend
Iowa Policy Project

Iowa Public Interest Research Group
Iowa Progressive Action for the Common Good

Iowa WILPF Des Moines Chapter

Kansas Kansas AFL-CIO

Kansas Sunflower Community Action

Maine Community Financial Literacy- Maine

Maine Maine AFL-CIO

Maine Maine Center for Economic Policy
Maine Maine Education Association
Maine Equal Justice Partners
Maine Maine People's Alliance

Maine Small Business Coalition

Maine Maine State Employees Association (SEIU Local 1989)

Maine Maine Women's Lobby

Maine Peace and Justice Center of Eastern Maine

Maine Roman Catholic Diocese of Portland
Maine Southern Maine Workers' Center
Maine The Neighborhood Housing League

Maine The Visible Community
Maryland Maryland AFSCME Council 3

Maryland Maryland PIRG

Maryland Maryland/DC Alliance for Retired Americans

Maryland Progressive Maryland

Massachusetts American Friends Service Committee, Northeast Regional Office

Massachusetts Budget For All Campaign, Massachusetts

Massachusetts Coalition for Social Justice

Massachusetts Institute for Justice & Democracy in Haiti

Massachusetts Jubilee Justice Task Force of the United Church of Christ, MA

Massachusetts Jubilee Massachusetts Massachusetts AFL-CIO

Massachusetts Alliance of HUD Tenants

Massachusetts Massachusetts Fair Share
Massachusetts Peace Action

Massachusetts MASSPIRG

Massachusetts New England AFSCME Council 93

Massachusetts Survivors, Inc.
Michigan AFT Michigan
Michigan Citizens for Peace

Michigan Detroit Chapter of the Coalition of Labor Union Women

Michigan General Council of the Adrian Dominican Sisters

Michigan Gray Panthers of Metro Detroit

Michigan Metro Detroit A. P. R. I.

Michigan Metro-Detroit Alliance for Democracy

Michigan AFL-CIO

Michigan Alliance for Retired Americans

Michigan Citizen Action

Michigan Michigan Education Association
Michigan League for Public Policy

Michigan United Healthcare Action Network

Michigan MichUCAN Michigan PIRGIM

Michigan Progress Michigan

Michigan Sisters of Mercy West Midwest Justice Team

Michigan Sisters, Servants of the Immaculate Heart of Mary

Michigan Tri County Alliance for Retired Americans

Michigan UFCW Local 951

Michigan United Auto Workers Local 6000

Michigan United Auto Workers Local 730 Retirees Chapter

Michigan United Auto Workers Michigan Minnesota AFSCME Council 5

Minnesota TakeAction MN
Missouri AFSCME Council 72

Missouri AFT- Missouri

Missouri Communications Workers of America MO Workers Union Local 6355

Missouri Economic Justice Task Force

Missouri Gray Panthers of Kansas & Western Missouri

Missouri GRO Grass Roots Organizing

Missouri Metropolitan Congregations United

Missouri AFL-CIO

Missouri Missouri Alliance for Retired Americans Missouri Association for Social Welfare

Missouri Citizen Education Fund

Missouri Jobs With Justice

Missouri PIRG

Missouri Progressive Vote Coalition

Missouri ProVote

Missouri Missourians for Tax Justice
Missouri MO Citizen Education Fund
Missouri Peace Economy Project
Missouri Progress Missouri
Missouri Saint Louis NAACP

Missouri Women's Voices Raised for Social Justice

SEIU Missouri

Montana Angela's Piazza

Montana Greater Yellowstone Central Labor Council

Montana Indian People's Action

Montana MEA-MFT

Missouri

Montana Missoula Central Labor Council

Montana Montana AFSCME

Montana Montana Organizing Project

Montana Montana PIRG

Montana Montana Small Business Alliance

Montana SEIU Healthcare 775 NW

Montana Southwest Montana Central Labor Council

Montana Strike Debt Helena

Montana UA Local 30 Plumbers and Pipefitters

Montana Unite HERE! 427 Nebraska Nebraska AFL-CIO

Nebraska Nebraska Alliance for Retired Americans

Nebraska State Education Association Nevada Alliance for Retired Americans

Nevada Progressive Leadership Alliance of Nevada - PLAN

New Hampshire Climate Counts

New Hampshire New Hampshire AFL-CIO

New Hampshire New Hampshire Alliance for Retired Americans
New Hampshire Citizens Alliance for Action

New Hampshire New Hampshire PIRG
New Jersey AFSCME Council 1
New Jersey Blue Wave New Jersey

New Jersey Bus for Progress

New Jersey New Jersey Communities United
New Jersey New Jersey Education Association

New Jersey PIRG

New Jersey Progressive Democratic Caucus

New Jersey NJ Citizen Action

New Jersey NJ Main Street Alliance New Jersey NJ Save Our Schools March

New Jersey NJ State Industrial Union Council New Jersey NJ Working Families Alliance New Mexico NEA-New Mexico

New Mexico New Mexico AFSCME Council 18

New Mexico New Mexico PIRG

New Mexico Voices for Children
New York Alliance for Quality Education

New York Central New York Citizens in Action, Inc.

New York Citizen Action of New York

New York Citizen Action of the Southern Tier

New York Community Voices Heard

New York Diocese of Buffalo New York New York AFL-CIO

New York New York State United Teachers
New York NYC AFSCME District Council 37

New York Working Families Party of the Southern Tier

North Carolina Action NC
North Carolina Blueprint NC

North Carolina Durham People's Alliance

North Carolina NC Alliance for Retired Americans

North Carolina North Carolina AFL-CIO

North Carolina North Carolina Justice Center

North Carolina North Carolina PIRG

North Carolina North Carolina Women United
North Carolina Southern Coalition for Social Justice

North Carolina The Center for New Revenue

North Carolina The Collaborative

North Carolina The North Carolina Association of Educators

North Carolina Women Advance

North Carolina Working America (North Carolina)

North Dakota North Dakota AFL-CIO
North Dakota North Dakota United
Ohio AFSCME Council 8
Ohio America Votes - Ohio

Ohio Americans for Democratic Action, Northeast Ohio Communications Workers of America District 4

Ohio Communities United For Action

Ohio Empowering and Strengthening Ohio's People - Cleveland

Ohio Move to Amend - Central Ohio

Ohio OCSEA-AFSCME
Ohio Ohio Action Circle

Ohio Ohio Alliance for Retired Americans Educational Fund

Ohio Ohio Fair Share

Ohio Public Interest Research Group

Ohio Policy Matters Ohio

Ohio ProgressOhio
Ohio SEIU 1199

Ohio The Interfaith Alliance of Greater Cincinnati

Ohio UFCW Local 1059
Oregon Decision Metrics

Oregon Main Street Alliance of Oregon

Oregon Oregon Action

Oregon Oregon Alliance for Retired Americans

Oregon Oregon Center for Public Policy
Oregon Oregon Education Association

Oregon OSPIRG

Oregon PCUN, Oregon's Farmworkers Union

Oregon Tax Fairness Oregon
Pennsylvania AFSCME Council 13
Pennsylvania AFSCME Local 590

Pennsylvania JustLaws

Pennsylvania Keystone Progress

Pennsylvania Penn PIRG

Pennsylvania State Education Association

Rhode Island National Association of Social Workers – RI Chapter

Rhode Island National Education Association Rhode Island

Rhode Island Rhode Island AFSCME Council 94

Rhode Island Rhode Island Alliance for Retired Americans

Rhode Island Rhode Island PIRG

Rhode Island The Economic Progress Institute

South Carolina South Carolina Alliance for Retired Americans

South Carolina South Carolina Small Business Chamber of Commerce

Texas AFL-CIO Texas

Texas Central Texas Move to Amend
Texas Common Ground for Texas

Texas Education Equals Making Community Connections

Texas Environment Texas

Texas Houston Area Move to Amend (HAMTA)
Texas La Fe Policy Research and Education Center

Texas Laborers Local 154

Texas National Association of Social Workers/Texas Chapter

Texas Neverland Designs
Texas Progress Texas
Texas Proyecto Juan Diego

Texas San Antonio Nonprofit Council

Texas Texans for Public Justice

Texas Texans Together Education Fund

Texas Texans United To Amend

Texas Alliance for Retired Americans
Texas American Federation of Teachers

Texas Texas Fairshare

Texas League of Conservation Voters

Texas PIRG

Texas State Employees Union
Texas State Teachers Association

Vermont Vermont Alliance for Retired Americans

Virginia NARAL Virginia

Virginia Progress VA Education Fund
Virginia Virginia AFL-CIO State Federation
Virginia Virginia Alliance for Retired Americans
Virginia Civic Engagement Table

Virginia Virginia Fair Share

Virginia Virginia Interfaith Center on Public Policy

Virginia Virginia Organizing

Washington A. Phillip Randolph Institute

Washington AFGE Local 3937

Washington AFSCME City and County Employees, Council 2
Washington Certified Electrical Workers of Washington

Washington Children's Alliance

Washington Coalition of Labor Union Women

Washington Communications Workers of America, WA Council

Washington Eastern Washington Voters

Washington El Centro de la Raza

Washington Equal Opportunity Institute

Washington Faith Action Network

Washington Fuse

Washington International Longshore and Warehouse Union, Local 23

Washington King County Labor Council

Washington Latinos for Community Transformation
Washington Main Street Alliance of Washington

Washington National Association of Social Workers - WA Chapter

Washington Northwest Health Law Advocates

Washington OneAmerica Washington Para Los Niños

Washington Partners with Families & Children: Spokane Washington Peace and Justice Action League of Spokane

Washington Physicians for a National Health Program, Western WA

Washington Pioneer Human Services

Washington Pride at Work

Washington Puget Sound Advocates for Retirement Action

Washington Real Change

Washington SEIU Healthcare 1199NW

Washington Social Justice Ministry of Sacred Heart Washington Statewide Poverty Action Network

Washington The Oak Tree of Spokane

Washington Transportation Workers UTU State Council

Washington United Auto Workers, Local 4121
Washington Warren G. Magnuson Democratic Club
Washington Washington Alliance for Retired Americans

Washington Washington Allied Printing Trades

Washington Washington CAN! Education and Research Fund

Washington Community Action Network

Washington Washington Education Association Washington Washington Fair Trade Coalition

Washington Washington Federation of State Employees Council 28

Washington Washington Public Interest Research Group

Washington Washington State Council of County and City Employees

Washington Washington State Labor Council, AFL-CIO

Washington Washington YELL Spokane Chapter Washington Young Emerging Labor Leaders

West Virginia AFSCME Council 77

West Virginia American Federation of Teachers – West Virginia

West Virginia Green Creek Water Association
West Virginia Southern Appalachian Labor School

West Virginia West Virginia AFL-CIO

West Virginia WV Center on Budget and Policy

West Virginia WV Citizen Action Group West Virginia WV Education Association

West Virginia WV Surface Owners Rights Organization

Wisconsin AFT Wisconsin

Wisconsin Citizen Action of Wisconsin Wisconsin Institute for Wisconsin's Future

Wisconsin Madison Teachers Inc.
Wisconsin Voces de la Frontera

Wisconsin WISCAP

Wisconsin Wisconsin AFSCME

Wisconsin Wisconsin Alliance of Retired Americans

Wisconsin Council of Churches

Wisconsin WISPIRG