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Boeing Receives Tax Rebates; Pays No Income Taxes for 3 Years

February 27, 2011 06:15 PM EST

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Boeing is a large employer in the Pacific Northwest making planes. It has done well in the past three years earning \$10 billion in domestic pre-tax profits between 2008 and 2010. And this, it is said by Republicans, is a good thing for America because a successful business pays taxes into the coffers of the U.S. government.

Only one problem; the U.S. government paid Boeing "[a rebate of \\$75 million](#)."

Incidentally, a 2008 General Accounting Office report found that the airline and arms maker "had 38 subsidiaries in foreign tax havens." In the era of the transnational corporation, having various subsidiaries allows these tax evaders the accounting obfuscation necessary to hide where they received their profits and which part is owned by which other part of the company.

Hence, those ill-intentioned right wing organizations like the Cato Institute, Heritage Foundation, and Evergreen Tax Foundation despise the government funding programs and institutions for the people's welfare while negligently claiming that the U.S. corporate tax-rate is 35 percent and one of the highest in the developed world.

If the tax rate is so high, why do the largest companies frequently have no income tax liability and receive rebates from the government?

From the perspective of taxpayers, the goal is to minimize taxes by any legal means possible. It is not against the law to *avoid* taxes; it is against the law to *evade* taxes. Thus, irrespective of flat taxes, and simpler codifications of corporate taxation policy, the taxpayer will always try to minimize payment through legal means of avoidance. And Boeing is a taxpayer.

If this is the known and accepted perspective of a taxpayer, then how can right-wing corporate apologists ever seriously and ingenuously consider the preposterous supply-side economic theory that higher corporate profits equal higher tax revenues for the government?

The only intelligent observation that supply-side economics contains is something it borrowed from without: lower taxes *may* provide higher revenue. Unfortunately, supply-siders and anti-tax groups never actually explicate what precisely the right level of taxation is. Instead, their cry rings loudly as "taxes are bad" or "government is the problem."

Boeing has capable and intelligent executives that know how to avoid taxes. It is not necessary that they be labeled as evaders when they do something legal. But herein lays the paradox of the legalistic society: just because what they do is termed legal, doesn't mean it isn't still evasion.

The Tea Party and GOP like to delude people into thinking taxes hurt the economy. But it is certainly hurtful when taxes aren't paid, and "we're broke," and House Speaker Boehner (R-OH) thinks we have to lay off 1 million public sector employees all because corporations aren't paying taxes.

The right likes to denigrate welfare to people; quite clearly, welfare to corporations stirs no feelings of resentment in them.

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[Dan E.](#) Feb 27, 2011, 7:52pm EST

Companies don't pay taxes, the people who buy their products or use their services pay those taxes. In the case of Boeing since they are the largest U.S. exporter much of their tax burden (when they have a tax burden) is paid by foreign corporations.

"Only one problem; the U.S. government paid Boeing "a rebate of \$75 million.""

It is estimated that the recently awarded 767 tanker deal will lead to the ultimate employment of fifty thousand people.....I'm sure glad those jobs will go to mostly to Americans.

[libramoon C.](#) Feb 27, 2011, 7:59pm EST

Somehow the fictional people took over, made us their slaves. They magically translated our work into a fiction called money and took our value away to be won here and there if we can manage to effectively play their game. Could be made into a major motion picture.

[john smith](#) Feb 27, 2011, 10:22pm EST

You really don't expect the corporate overlords to pay their share do you ?
If they did and we ended the unnecessary wars we would not be in this republican created mess now.
Slaves is the correct term .

[Winston Smith](#) Feb 28, 2011, 10:20am EST

http://blog.al.com/live/2011/02/boeing_won_air_tanker_contract.html

Chicago style politics.

[Winston Smith](#) Feb 28, 2011, 10:22am EST

Obama, Daly, Emmanuel, maybe it was them that made the deal?

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