



## U.S. Corporations That Pay No Taxes

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Every working American is required to pay income taxes, but American companies get away with paying *zero*...

This year, the IRS collected roughly \$1.4 trillion from U.S. taxpayers on April 15. Even individuals exempt from the federal income tax are subject to payroll taxes – and even the 14% exempt from both still must pay a sales tax.

But 11 Standard & Poor's 500 Index giants paid no income tax in 2014, even though they reported a profit for the year according to *USA Today*. Forty-three more were at least partially exempt.

That means there are a record 54 U.S. corporations that pay no taxes or are at least partially exempt. That's more than twice the amount five years ago. Most of them actually got tax refunds.

On top of that, there are currently 13 Fortune 500 companies that don't pay taxes. We are talking about some of the biggest businesses in the nation. **CBS Corp.** (NYSE: [CBS](#)), which earned \$1.8 billion in 2014, paid no federal tax, and received a \$235 million tax refund. (If you look back at the last five years, one more Fortune 500 giant makes the list. **General Electric Co.** [NYSE: [GE](#)] made \$33 billion from 2010-2014, paid no taxes, and received \$1.4 billion in refunds.)

By keeping their cash parked overseas, companies like CBS avoid triggering U.S. corporate taxes. Instead, they take advantage of foreign tax structures that are much more forgiving. You see, according to Cato Institute research, the U.S. has the highest corporate tax rate among major

industrial nations. Its effective tax rate of 35.6% on new corporate investment is nearly twice the average rate for the 90 countries studied.

As these giants dodge taxes, it's no surprise their contribution toward the nation's total tax revenue has declined.

In fiscal 2014, 10.6% (\$320.7 billion) of the federal government's total revenue came from corporate income taxes, according to Pew Research Center. Comparatively, corporate income tax accounted for between a quarter and a third of federal revenue in the 1950s.

Let's take a look at exactly which companies wriggled their way out of paying income taxes in 2014...

### **S&P 500 Corporations That Don't Pay Income Taxes**

<b>Company</b>	<b>Symbol</b>	<b>Net income 2014</b>
<b>Goodyear Tire &amp; Rubber Co.</b>	Nasdaq: <a href="#">GT</a>	\$2.45 billion
<b>TE Connectivity Ltd.</b>	NYSE: <a href="#">TEL</a>	\$1.9 billion
<b>Eaton Corp. plc</b>	NYSE: <a href="#">ETN</a>	\$1.79 billion
<b>Tyco Int'l PLC</b>	NYSE: <a href="#">TYC</a>	\$1.73 billion
<b>Masco Corp.</b>	NYSE: <a href="#">MAS</a>	\$856 million
<b>Royal Caribbean Cruises Ltd.</b>	NYSE: <a href="#">RCL</a>	\$764.1 million
<b>Wynn Resorts Limited</b>	Nasdaq: <a href="#">WYNN</a>	\$731.6 million
<b>Darden Restaurants Inc.</b>	NYSE: <a href="#">DRI</a>	\$666.6 million
<b>Level 3 Communications Inc.</b>	NYSE: <a href="#">LVL</a>	\$314 million
<b>FirstEnergy Corp.</b>	NYSE: <a href="#">FE</a>	\$299 million
<b>Cabot Oil &amp; Gas Corp.</b>	NYSE: <a href="#">COG</a>	\$104.5 million

\*Sources: S&P Capital IQ, *USA TODAY*

\*\*Uses data from calendar year 2014.

### **Fortune 500 Corporations That Don't Pay Income Taxes**

<b>Company</b>	<b>Symbol</b>	<b>Net income 2014</b>
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<b>CBS Corp.</b>	(NYSE: <a href="#">CBS</a> )	\$1.8 billion
<b>Interpublic Group of Companies Inc.</b>	(NYSE: <a href="#">IPG</a> )	\$365 million
<b>Mattel Inc.</b>	(Nasdaq: <a href="#">MAT</a> )	\$268 million
<b>Owens Corning</b>	(NYSE: <a href="#">OC</a> )	\$106 million
<b>PG&amp;E Corp.</b>	(NYSE: <a href="#">PCG</a> )	\$1.84 billion
<b>PEPCO Holdings Inc.</b>	(NYSE: <a href="#">POM</a> )	\$406 million
<b>Priceline Group Inc.</b>	(Nasdaq: <a href="#">PCLN</a> )	\$73 million
<b>Prudential Financial Inc.</b>	(NYSE: <a href="#">PRU</a> )	\$3.49 billion
<b>QUALCOMM Inc.</b>	(Nasdaq: <a href="#">QCOM</a> )	\$3.21 billion
<b>Ryder System Inc.</b>	(NYSE: <a href="#">R</a> )	\$270 million
<b>Time Warner Inc.</b>	(NYSE: <a href="#">TWX</a> )	\$4.3 billion
<b>Weyerhaeuser Co.</b>	(NYSE: <a href="#">WY</a> )	\$960 million
<b>Xerox Corp.</b>	(NYSE: <a href="#">XRX</a> )	\$629 million