



Union Boss Demands Companies Show Patriotism, Pay More Taxes

Connor Wolf
July 23, 2014

The AFL-CIO demanded Tuesday that a tax loophole that benefits U.S. corporations competing in foreign markets get closed.

The practice known as corporate inversion allows U.S.-based companies to avoid some taxes by moving their headquarters to a foreign country where taxes are less demanding.

AFL-CIO president Richard Trumka called the practice “a gaping, unpatriotic tax loophole” in a statement and demanded “Congress to close it and end this outrageous practice.”

“In recent months, corporations have exploited this tax dodging loophole at unprecedented levels. The wave of ‘corporate inversions’ threatens to hollow out the U.S. corporate income tax base, seriously damaging the economy,” argued Trumka.

Using Walgreens as a recent example, Trumka goes on to state that the store “may use an upcoming acquisition to become a foreign company in order to dodge more than \$4 billion in taxes over five years.”

Trumka went on to praise proposals by President Barack Obama and Oregon Democratic Sen. Ron Wyden, among others, to address this problem.

In a statement, Wyden — who chairs the Senate Finance Committee — called for an end to corporate inversion and said, “This wave of inversions may be good for shareholders, investment bankers and private equity firms, but they are bad for America.”

Wyden went on to state that these sort of loopholes may be a sign that the tax code in general needs to be fixed because our current system “is an anti-competitive mess” which requires “comprehensive tax reform.”

“We need to start demanding a little more patriotism from these so-called American corporations. If they want to keep benefiting from everything our great country has to

offer, they need to start showing a little more loyalty to the people who live and work in America,” Trumka declared.

Chris Edwards, the director of tax policy studies at the Cato Institute, sees the issue less as corporate tax-dodging and more of a sign of general problems with the tax code.

“It’s a canary in a coal mine,” Edwards told The Daily Caller News Foundation. This practice shows the tax burden on U.S. companies is too high and the tax code needs to be reformed.

“A reduction in corporate taxes is unambiguously good for workers” because it allows “more investments” into machines, equipment and the workers themselves, Edwards explained.

Edwards contended that unions were not advocating this approach due to their “left-wing ideology.”