

House GOP “Stimulus” Bill Offers 14 Large, Low-Tax Corporations More than \$100 Million in Tax Rebates Each IBM alone is slated for a \$1.4 billion rebate check

The “stimulus” tax-cut bill just approved by the House Ways and Means Committee calls for some \$25 billion in immediate tax rebates to large profitable corporations that paid the low-rate “alternative minimum tax” over the past decade and a half because loopholes cut their regular income tax bills to little or nothing.

Some \$6.3 billion of these corporate rebate checks would be made out to just 14 tax-avoiding Fortune 500 companies—whose rebates would average \$450 million each. (These companies reported more than \$33 billion in pretax U.S. profits in 2000.)

■ Topping the list is IBM, slated to get a \$1.4 billion rebate check. General Motors is next at \$833 million, followed by General Electric at \$671 million, TXU (Texas Utilities) at \$608 million, DaimlerChrysler at \$600 million, and ChevronTexaco at \$572 million.

■ Of these 14 low-tax companies that would get more than \$100 million each under the GOP-backed bill, five are in the energy business. Two are in the airline industry, which is receiving \$15 billion in grants and loans under already passed legislation.

■ The bill’s proposed total of \$25 billion in instant rebates for profitable tax-avoiding corporations is almost twice as big as the \$13.7 billion in added individual rebates that the tax committee decided to provide to 37 million, mostly low-income families and singles whose 2000 earnings were too low to qualify for the previous round of personal tax rebates.

Under the bill, the “AMT” would be repealed (to facilitate future tax sheltering) and corporations would be entitled to an immediate rebate of any alternative minimum tax they paid since the tax was established in 1986. In contrast, under current law, a company that pays the AMT can get a refund in a later year only if its regular income tax payments exceed the AMT that year. Many profitable companies have so many loopholes that they never pay enough in regular income taxes to use these “AMT credit carryforwards.”

14 Corporations with More than \$100 Million in AMT Tax Credit Carryforwards at the End of 2000

Company	AMT Rebates under the House GOP Tax Bill, \$-millions
IBM	\$ 1,424
General Motors	833
General Electric	671
TXU (Texas Utilities Company)	608
DaimlerChrysler*	600
ChevronTexaco	572
UAL (United Airlines)	371
Enron	254
Phillips Petroleum	241
AMR (American Airlines)	184
IMC Global	155
Comdisco	144
CMS Energy	136
Westvaco	112
Total, these 14 Companies	\$ 6,305

Source: corporate annual reports for 2000

*As reported by DaimlerChrysler to *Automotive News*.

Citizens for Tax Justice, Oct. 19, 2001 (added DaimlerChrysler)