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More Than ~~Half~~ 60 Percent of the Members of Washington's Lobbying Corps Plunged Into the 2017 Tax Debate (That's More Than 7,000 lobbyists)

Acknowledgments

This report was written by Taylor Lincoln, research director for Public Citizen’s Congress Watch division. The Center for Responsive Politics (www.opensecrets.org) provided the dataset that was analyzed in this report.

About Public Citizen

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In early December 2017, we reported that 6,243 lobbyists had disclosed working on issues involving the word “tax” through the first three quarters of 2017.¹ People on both the right and the left of the political spectrum were shocked and disconcerted by that number.²

This abbreviated update to that report includes data from the fourth quarter of 2017, when comprehensive tax legislation was passed. Using federal lobbying disclosure data provided by the Center for Responsive Politics (www.opensecrets.org), we are able to calculate that a total of **7,088** lobbyists worked on tax issues in 2017.

That figure equals more than 60 percent of the 11,444 lobbyists who reported working on any issue in 2017. It also works out to 13 lobbyists for every member of Congress. Put another way, it’s as if roughly the entire undergraduate enrollment of Georgetown University emptied out of school and poured onto Capitol Hill to influence elected officials and their staffs day in and day out.

It must be noted that most of the lobbyists who have sought to influence tax issues lobbied on other issues, as well. Meanwhile, some of the “tax” issues that lobbyists reported working upon may not have been relevant to the comprehensive tax legislation that was approved in December. However, more than 4,600 lobbyists volunteered that they worked specifically on “tax reform,” which is directly on point to the comprehensive legislation. Other lobbyists worked on discrete issues that were part of the comprehensive legislation.

Thirty-Five Industries Hired at Least 150 Lobbyists Each to Work on Tax Issues in 2017

Lobbying disclosure laws do not require organizations to disclose the amount they spend on individual issues, but the laws do require organizations to disclose the names of lobbyists who worked on specific issues. Thus, calculating the number of lobbyists is likely the most accurate – although imperfect – obtainable measure of the level of lobbying effort on a given issue.

In the case of taxes in 2017, that level of effort was staggering. Thirty-five separate industries dispatched at least 150 lobbyists each. Three industries – pharmaceuticals, insurance, and electronics – deployed more than 500 lobbyists each. [See Table 1. Note, some individual lobbyists were hired by multiple firms in multiple industries.]

¹ TAYLOR LINCOLN, PUBLIC CITIZEN, SWAMPED (Dec. 1, 2017), <http://bit.ly/2rQsu6J>.

² See, e.g., Casey Burgat, *Lobbying’s influence on the Republican tax bill shows why Congress needs more staff*, THE WASHINGTON EXAMINER (Dec. 13, 2017), <http://bit.ly/2GwWess> (“This amounts to just 130 congressional aides versus as many as 6,200 lobbyists ... It’s not a fair fight — not even close.”) And Sen. Bernie Sanders (I-Vt.), FACEBOOK post (Dec. 5, 2017), <http://bit.ly/2DNvSVb>. (“More than 6,000 lobbyists worked on the Republican tax bill - that’s more than half of the lobbyists in DC. No wonder it’s a gift to giant corporations.”)

Table 1: Industries Collectively Hiring 150 or More Lobbyists to Work on Tax Issues in 2017

Industry	No. of Lobbyists	Organization in Industry Hiring the Most Lobbyists
1. Pharmaceuticals/Health Products	756	Novartis AG (67)
2. Insurance	648	Blue Cross/Blue Shield (84)
3. Electronics Mfg & Equip	563	Microsoft Corp (88)
4. Securities & Investment	497	Managed Funds Assn (54)
5. Misc Manufacturing & Distributing	473	General Electric (66)
6. Electric Utilities	461	NextEra Energy (58)
7. Oil & Gas	437	Royal Dutch Shell (40)
8. Education	361	American Council on Education (14)
9. Automotive	354	National Auto Dealers Assn (35)
10. Business Associations	349	US Chamber of Commerce (115)
11. Air Transport	317	United Parcel Service (52)
12. Retail Sales	310	Wal-Mart Stores (58)
13. Real Estate	301	National Assn of Real Estate Investment Trusts (46)
14. Misc Issues	269	AARP (43)
15. Telecom Services	259	Comcast Corp (95)
16. Civil Servants/Public Officials	258	Commonwealth of Puerto Rico (20)
17. Internet	239	Amazon.com (72)
18. Misc Energy	236	American Wind Energy Assn (17)
19. Hospitals/Nursing Homes	236	American Hospital Assn (48)
20. Human Rights	235	American Cancer Society (19)
21. Commercial Banks	227	American Bankers Assn (44)
22. Health Professionals	227	American Medical Assn (25)
23. Beer, Wine & Liquor	226	Anheuser-Busch InBev (57)
24. Chemical & Related Manufacturing	220	American Chemistry Council(33)
25. Food & Beverage	189	Coca-Cola Co (28)
26. Health Services/HMOs	182	UnitedHealth Group (41)
27. TV/Movies/Music	175	National Assn of Broadcasters (34)
28. Misc Finance	166	S&P Global (28)
29.. Non-Profit Institutions	165	Economic Innovation Group (13)
30. Agricultural Services/Products	163	Zoetis Inc (19)
31. Casinos/Gambling	158	American Gaming Assn (22)
32. Defense Aerospace	153	Boeing Co (69_)
33. Business Services	152	Accenture (33)
34. Finance/Credit Companies	152	Visa Inc (46)
35. Telephone Utilities	150	Verizon Communications (85)

List of Organizations Most Active in Tax Debate Reads Like a Who's Who of American Corporations

Twenty-three organizations reported hiring at least 50 lobbyists who worked on tax issues during 2017 and three organizations hired more than 100 lobbyists all by themselves.

Topping the list was the U.S. Chamber of Commerce, which put a mind-boggling 115 lobbyists to work on tax issues in 2017. The Chamber combined with the Business Roundtable, as association made up of CEOs of the nation's largest companies, to deploy 171 lobbyists on tax issues.

The rest of the organizations hiring the most lobbyists reads like a list the largest and most famous corporations in the America: Blue Cross/Blue Shield, Verizon Communications, Comcast Corp, Anheuser-Busch InBev, Microsoft Corp, Amazon.com, Prudential Financial, Boeing Co, Novartis AG and General Electric, to name a few. [Table 2]

Table 2: Organizations Hiring 50 or More Lobbyists to Work at Least in Part on Tax Issues in 2018

Organization	Number of Lobbyists Hired on Tax Issues
1. US Chamber of Commerce	115
2. Blue Cross/Blue Shield	105
3. Verizon Communications	101
4. Comcast Corp	95
5. Anheuser-Busch InBev	92
6. Microsoft Corp	88
7. Amazon.com	72
8. Prudential Financial	70
9. Boeing Co	69
10. Novartis AG	67
11. NCTA The Internet & Television Assn	66
12. General Electric	66
13. Amgen Inc	63
14. AT&T Inc	60
15. Wal-Mart Stores	58
16. NextEra Energy	58
17. Business Roundtable	56
18. Altria Group	56
19. Managed Funds Assn	54
20. United Parcel Service	52
21. Oracle Corp	51
22. Credit Union National Assn	50
23. Merck & Co	50

Conclusion

By nearly all accounts, the tax legislation that was passed last year bestowed nearly all of its benefits on corporations and extraordinarily wealthy Americans.

People making less than \$100,000 a year will experience inconsequential reductions to their tax bill or even increases.³ Any modest decreases they might see will likely be more than cancelled out by repercussions from the extra \$1.5 trillion in debt that the legislation is predicted to cause over the next 10 years.

If the experience of the past several decades serves as a guide, a major tax debate will be revisited sometime in the next decade, and perhaps within just a few years. When that time comes, those who favor a more progressive tax system will no doubt seek to increase the share paid by the wealthy.

But the deluge of lobbyists who swarmed Capitol Hill in 2017 should serve as a warning that merely tweaking rates or targeting discrete loopholes will not achieve fairness. The current Byzantine system provides endless opportunities for lobbyists to shape the tax code to the advantage of their clients. Wealthier and better connected are less likely to have their special favors taken away and more likely to win new ones. Inequity grows and grows.

A case in point is the absurd “carried interest” loophole, which permits managers of private equity funds and hedge funds to pay a lower tax rate on the fruits of their labor than an ordinary worker. Even Larry Kudlow, the tax cutting evangelist who was among the chief authors of President Trump’s tax plan was dumbfounded that the carried interest break remained mostly intact through the recent legislation.

“I don’t know how that thing survived,” Kudlow told *The New York Times*. “I’m sure the lobbying was intense.”⁴

The only way to achieve true reform would be to radically reduce the opportunities for gamesmanship that are tucked away in the nooks and crannies of tax code. In essence, creating a fair system will require tearing out the current tax code and building a new one from scratch.

Ironically, those who were behind the recent legislation may have helped whet the public’s appetite for such a thing. The GOP has spent years demonizing the complexity of the tax code. The recent legislation – parroting many GOP campaign promises – was supposed to let us pay our taxes on a postcard.

³ See, e.g., Abigail Hess, *Here’s How the Senate Tax Bill Affects People Earning Less Than \$100,000*, CNBC (Nov. 30, 2017), <http://cnb.cx/2EnKVCc>.

⁴ Alan Rappeport, *Trump Promised to Kill Carried Interest. Lobbyists Kept It Alive*. (Dec. 22, 2017), <http://nyti.ms/2DS0rsQ>.

Although, the recent Congress failed miserably on its postcard promise – as well as on its overarching promise of greater simplification, in general – the concept of a simpler system no doubt resonates with the public.

Tax experts and political candidates who are enraged by the recent legislation should channel their energies toward coming designing a reimagined tax system that would harness the public’s appetite for simplicity while ensuring greater fairness and sufficient revenue.

Having such a proposal ready to go when that merry-go-round comes back around might be the ticket to reshaping a debate that has vexed progressives for decades.

Methodology Note

This research was made possible with the help of a massive data pull by the Center for Responsive Politics (www.opensecrets.org). CRP culled data from the open-ended “specific lobbying issue” field in its database of filings made pursuant to the Lobbying Disclosure Act of 1995. Each entry containing the word “tax” in the “specific lobbying issue” field was included, as was corresponding information on those reports, such as the lobbying firm, client name, and lobbyist name.

In places in this paper, we say that a corporation or lobbyist “reported” lobbying on certain issues. In fact, firms generally file reports on behalf of lobbyists, although usually with their lobbyists’ guidance. We have chosen to describe the reporting entities more informally to avoid overly technical descriptions.