



PUBLICCITIZEN

**Public Citizen Webinar:
Taking care of tax loopholes**

January 29, 2014

How to interact

Use the comment box below the video feed to ask us questions, or to respond to our questions.

Note: If you do comment, you'll have to refresh the page to see new comments showing up.

Let us know where you are! Use the comment box to let us know the city and state where you're located.

SOTU and Income Inequality

- Creating revenue is necessary for funding government programs that create a more equitable economy
- Closing tax loopholes and capitalizing on new revenue opportunities
- Grassroots power is the best way to counter the influence of mega-corporations, Wall Street, and the very rich.

Four Priority Areas of Tax Reform

1. Ending International Tax Havens

- Stop Tax Haven Abuse Act (S. 1533) introduced by Senator Levin
- Coalition comments submitted on Senate Finance Committee's proposal for international tax reform
- See Citizen Vox blog on 1/17/14 for more information

2. Enacting a Wall Street Speculation Tax

- Wall Street Trading and Speculators Tax Act introduced by Senator Harkin (S. 410) and in the House by Congressman DeFazio (H.R. 880).
- Tiny levy on financial transactions: 3 cents on every \$100.
- Another proposal in the works to tax transactions 1 cent for every \$100.

Four Priority Areas of Tax Reform, Cont.

3. Reforming deductions for government settlements against wrongdoers

- Under existing law, if settlements are made to “non-federal entities,” corporations can deduct the payments.
- Reed-Grassley Government Settlement Transparency and Reform Act (S. 1654) reforms that loophole.

4. Ensuring pay (including bonuses) over \$1 million are taxed.

- Stop Subsidizing Multimillion Dollar Corporate Bonuses Act

Stop Subsidizing Multimillion Dollar Corporate Bonuses Act

- S. 1476
 - Introduced by Sens. Jack Reed (D-R.I) and Richard Blumenthal (D-Conn.)
- H.R. 3970
 - Introduced by Representative Lloyd Doggett (D-Texas) on January 29, 2014
- **The Loophole:** Corporations can deduct more than \$1 million in employee compensation from their taxes, so long as the compensation is performance based

Appendix: Top 20 CEO Compensation, 2012

Company	CEO	Base Salary	Deductible, Performance-based Equity or Bonus Compensation	Non-Deductible Equity, Bonus, or Other Incentive Compensation	All other Compensation	Total Compensation
Oracle Corp	Larry Ellison	\$1	\$94,612,063	\$0	1,548,632	\$96,160,696
Tesla Motors Inc.	Elon Musk	\$33,280	\$78,110,730	\$6,000	\$0	\$78,150,010
Gamco Investors Inc.	Mario J. Gambelli	\$0	\$68,970,486	\$0	\$0	\$68,970,486
Activision Blizzard Inc	Robert A. Kotick	\$2,006,127	\$34,689,894	\$28,180,135	\$66,150	64,942,306
CBS Corp	Leslie Moonves	\$3,513,461	\$55,329,952	\$0	\$3,313,613	\$62,157,026
Cheniere Energy Corp	Charif Souki	\$781,063	\$0	\$56,610,000	\$127,269	\$57,518,332
Credit Acceptance Corp	Brett A. Roberts	\$1,025,000	\$53,250,000	\$0	\$7,500	\$54,282,500
McKesson Corp	John H. Hammergren	\$1,680,000	\$27,562,256	\$0	\$362,508	\$39,680,322
Discovery Communications Inc	David Zaslav	\$3,000,000	\$46,499,881	\$0	\$432,986	\$49,932,867
HCA Holdings Inc	Richard M. Bracken	\$1,387,474	\$15,182,610	\$0	\$21,989,866	\$46,359,246

Source: Public Citizen analysis of 2012 and 2013 corporate proxy statements. Original list of highest paid CEOs derived from *CEO Pay and You*, PAYWATCH (viewed November 5, 2013), <http://bit.ly/10XoB7c>.

Stop Subsidizing Multimillion Dollar Corporate Bonuses Act

- Bill for taxpayers: **\$50 billion over 10 years**
- The Stop Subsidizing Multimillion Dollar Corporate Bonuses would close this loophole by:
 - Ending the exemptions for commission and performance-based pay
 - Increasing the number of corporations that would be limited to \$1million total deductions for employee pay
 - Making sure all employee pay is covered by the law

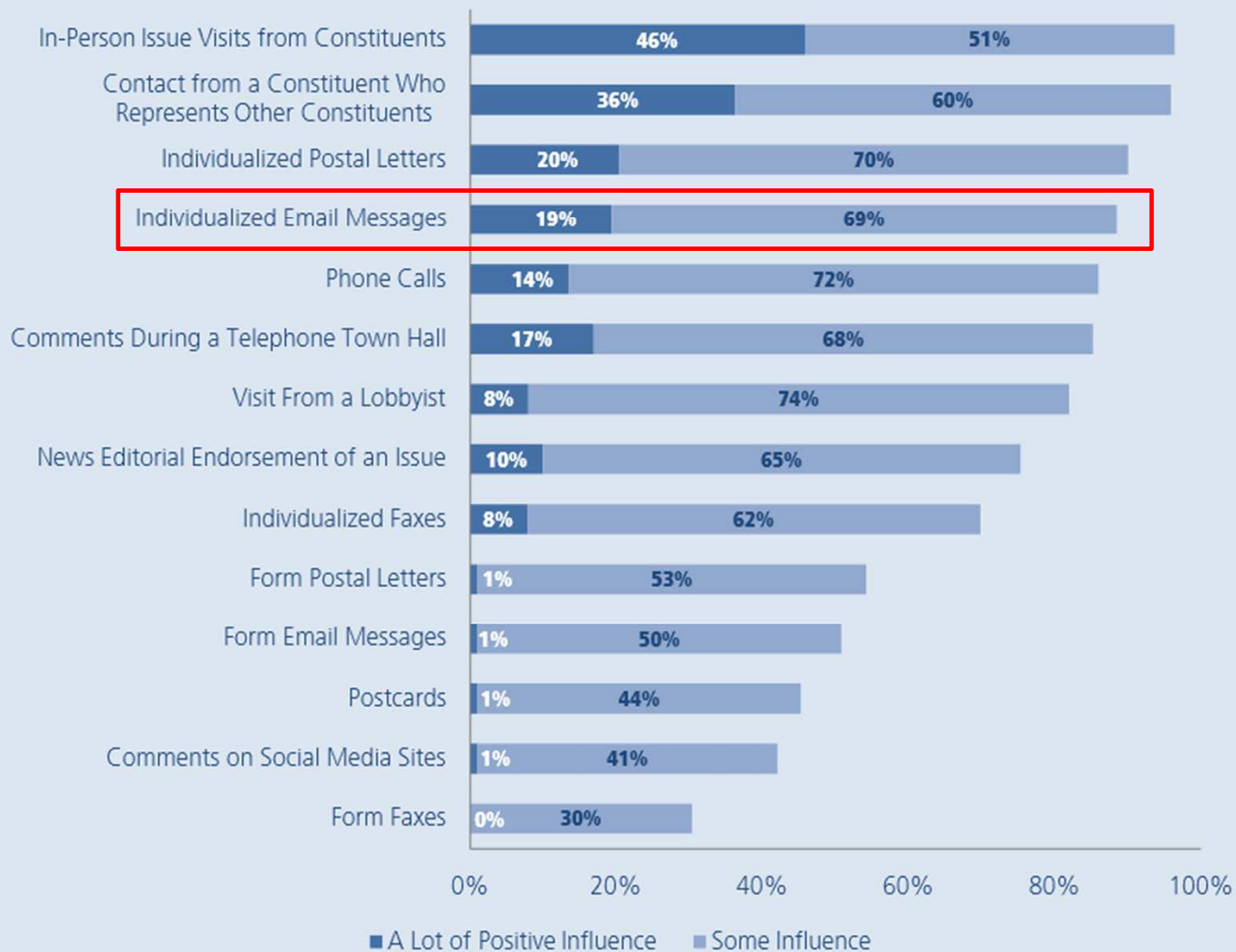
Grassroots Advocacy

Grassroots advocacy in the form of **personalized emails** to members of Congress is a powerful tool for creating change

Has anyone watching written a personalized email to their member of Congress? Let us know in the comments!

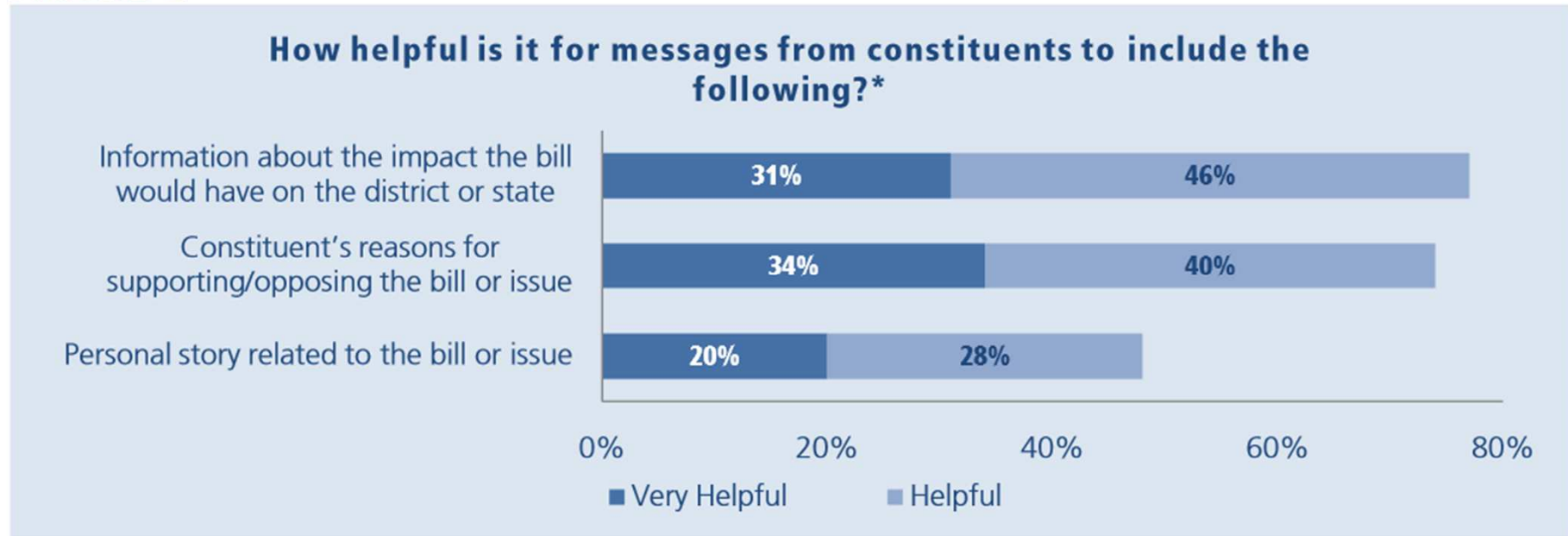
FIGURE 2

If your Member/Senator has not already arrived at a firm decision on an issue, how much influence might the following advocacy strategies directed to the *Washington office* have on his/her decision?*



*Question was asked only of senior managers and mail staffers. Their responses are aggregated (n=194).

FIGURE 4



*Question was asked only of mail staffers (n=87).

At the end of the broadcast, please take a moment and complete the action on the right hand side of the page and include a personalized message in the email form.

Thanks for all that you do!

Questions?