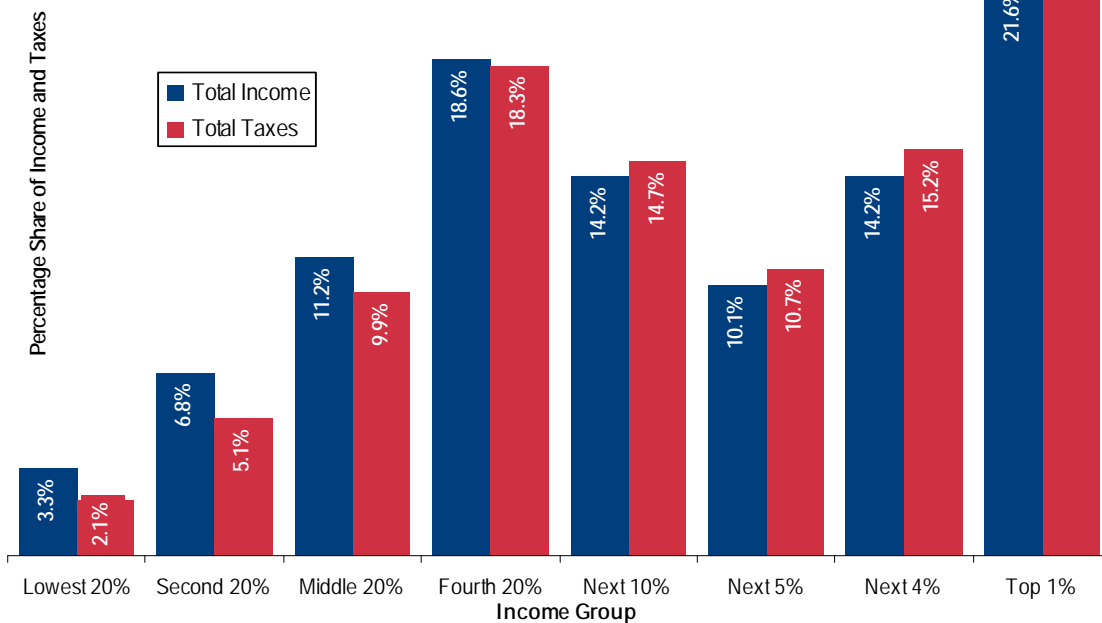


Five Things You Should Know on Tax Day: Findings from Citizens for Tax Justice's Recent Reports

1. The nation's tax system is barely progressive

- A CTJ [fact sheet](#) demonstrates that the total share of taxes (federal, state, and local) that will be paid by Americans across the economic spectrum in 2014 is roughly equal to their total share of income.
- While some taxes, such as the federal income tax, are progressive, other taxes such as state and local sales taxes actually take a larger share of income from low-income families than they take from higher-income families.
- In 2014, the richest one percent of Americans will pay 23.7 percent of the total taxes in America, but they will also take in 21.6 percent of the total income in America.

Shares of Total Taxes Paid by Each Income Group Will Be Similar to their Shares of Income in 2014



2. The statutory corporate tax rate is 35 percent, but few companies pay that.

- CTJ's recent [study](#) of consistently profitable Fortune 500 corporations found that over the past five years they paid 19.4 percent of their profits in federal income taxes — far lower than the official 35 percent rate that corporate lobbyists complain about.
- CTJ's study also found that 26 of these corporations, including well-known companies General Electric, Boeing, Verizon, Priceline and Corning, paid no federal corporate income tax over the five-year period examined.

26 Corporations Paying No Total Income Tax in 2008-12

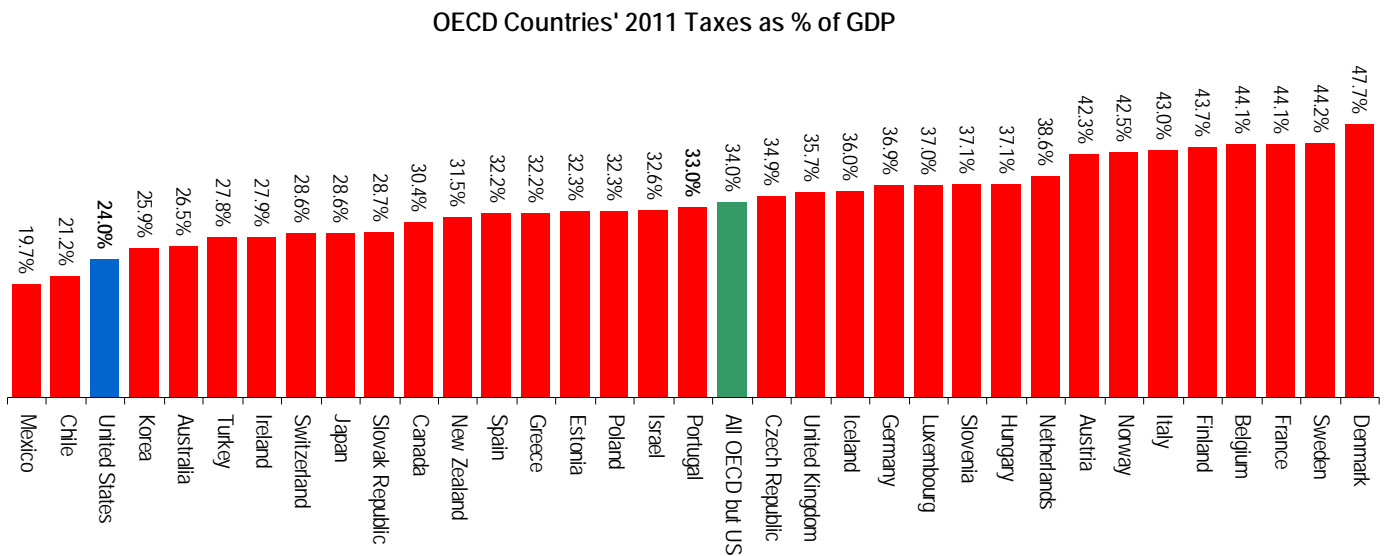
Company (\$-millions)	08-12 Profit	08-12 Tax	08-12 Rate
Pepco Holdings	\$ 1,743	\$ -575	-33.0%
PG&E Corp.	7,035	-1,178	-16.7%
NiSource	2,473	-336	-13.6%
Wisconsin Energy	3,228	-436	-13.5%
General Electric	27,518	-3,054	-11.1%
CenterPoint Energy	4,078	-347	-8.5%
Integrus Energy Group	1,623	-133	-8.2%
Atmos Energy	1,486	-114	-7.7%
Tenet Healthcare	854	-51	-6.0%
American Electric Power	10,016	-577	-5.8%
Ryder System	1,073	-51	-4.7%
Con-way	587	-21	-3.5%
Duke Energy	9,026	-299	-3.3%
Priceline.com	557	-17	-3.0%
FirstEnergy	7,236	-216	-3.0%
Apache	7,580	-184	-2.4%
Interpublic Group	1,305	-28	-2.1%
Verizon Communications	30,203	-535	-1.8%
NextEra Energy	11,433	-178	-1.6%
Consolidated Edison	7,581	-87	-1.1%
CMS Energy	2,471	-26	-1.1%
Boeing	20,473	-202	-1.0%
Northeast Utilities	2,820	-19	-0.7%
Corning	3,438	-10	-0.3%
Paccar	1,711	-1	-0.1%
MetroPCS Communications	1,956	-1	-0.1%
TOTAL	\$ 169,504	\$ -8,676	-5.1%

Source: Citizens for Tax Justice and the Institute on Taxation and Economic Policy, February 2014.

3. Among developed countries, the United States is one of the least taxed.

■ Taxes accounted for 24 percent of the nation's GDP in 2011. A CTJ [fact sheet](#) explains that among 35 developed nations, only two (Chile and Mexico) collected less tax revenue as a share of their economy that year.

■ The countries collecting more in taxes as a share of their economy than the U.S. include our trade partners and competitors, like France, Germany, the United Kingdom, Canada, South Korea and others.



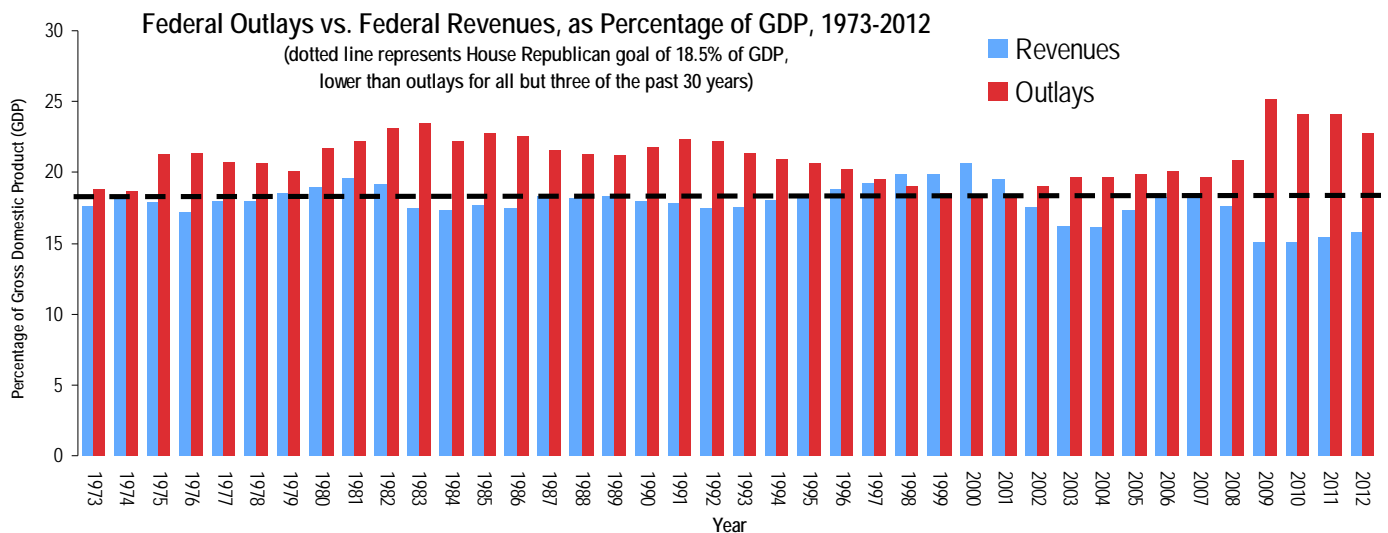
Notes: Annual totals for non-U.S. OECD are weighted by GDP. 2011 is the most recent year for which OECD has complete data.

Source: OECD data, 2014, <http://stats.oecd.org/>

4. The goals of tax reform should be to raise revenue, make the system more progressive, and end offshore tax dodging.

■ The federal government cannot fund public investments at a level that Americans expect if we do not change our tax laws to collect more revenue.

■ A CTJ [report](#) explains why the goals of federal tax reform should be to raise revenue, make the system more progressive and end offshore tax avoidance by corporations.



Source: Congressional Budget Office, Updated Budget Projections: Fiscal Years 2013 to 2023 (May 2013).

5. Tax reform that accomplishes the above goals is achievable.

- Citizens for Tax Justice recently published its own [tax reform plan](#) that accomplishes these goals.
- The plan mostly maintains current tax rates and incorporates lawmakers’ proposals to close loopholes.
- The table below illustrates the impacts on Americans at different income levels and how CTJ’s plan would make the tax system more progressive.

Average Tax Changes for Different Income Groups in 2015 Under Combination of Tax Reforms Described (end capital gains preference, close business tax breaks, etc)

Income Group	Average Income	Min and Max Income for Group	Average Tax Change	
			in Dollars	as % of Income
Lowest 20%	\$ 14,670	Less than \$23,000	\$ -10	-0.1%
Second 20%	\$ 29,680	\$23,000–38,000	-20	-0.1%
Middle 20%	\$ 47,530	\$38,000–60,000	80	0.2%
Fourth 20%	\$ 78,670	\$60,000–102,000	370	0.5%
Next 15%	\$ 137,190	\$102,000–206,000	1,380	1.0%
Next 4%	\$ 298,360	\$206,000–533,000	5,940	2.0%
Top 1%	\$ 1,664,500	\$533,000–or more	71,860	4.3%
ALL	\$ 82,000		\$ 1,240	1.5%

Tax changes include impacts of changing tax provisions affecting individuals (calculated by the Institute on Taxation and Economic Policy (ITEP) tax model) and changing tax provisions affecting businesses (based on the Joint Committee on Taxation’s estimates of Senator Wyden’s tax reform proposal and calculations by ITEP).

- Another CTJ report explains that the main tax reform proposal before Congress right now unfortunately [fails](#) to achieve these goals.