# Megacorporations That Have Gotten Tens Of Billions Of Dollars From Republican Tax Cuts Have Mounted A 2021 Lobbying Offensive

**SUMMARY:** As negotiations continue over President Biden's Build Back Better Agenda, which seeks to fix the economy's "structural weaknesses and inequalities" and make corporations pay their fair share, congressional Republicans' "one big red line" is to protect Trump's partisan tax cuts for the biggest companies and wealthiest individuals. The $1.5 trillion Tax Cuts and Jobs Act of 2017 (TCJA) slashed corporate rates by 40%, dropped revenue by $233 billion, failed to trickle down to workers, and failed to pay for themselves—as the Trump administration and its allies in Congress promised.

Meanwhile, some of the biggest corporations have been scrambling to protect the tens of billions of dollars in tax breaks the Republican tax cuts showered on them, all lobbying on corporate taxes, Biden's American Jobs Plan (which would raise corporate taxes), and/or the TCJA itself in the first half of 2021. These corporations include:

- **Walmart**—Which Has Been Lobbying On The TCJA And Tax Issues In 2021—Disclosed $2.85 Billion In Benefits From The Trump Tax Cuts And Its Effective Tax Rate Fell Significantly Due In Part To The Cuts. The Company Disclosed Over $1.8 Billion In Unrecognized Tax Breaks At The End Of FY20 That The IRS May Not Even Audit After Congressional Republicans Spent Years Undermining The Agency.

- **Apple**—Which Has Been Lobbying On Tax Issues And Biden's Jobs Plan In 2021—Disclosed A $582 Million Tax Benefit Due To The TCJA In FY2020 And The Company's Effective Tax Rate Was Over 10 Percentage Points Less Than The Year Before The TCJA Took Place. Even After Apple Had Been Declared "'The World Champion At Global Tax Avoidance'" For Decades—It Tried To Take Credit For A Lowered $38 Billion Repatriation Tax Payment Under The TCJA.

- **AT&T**—Which Has Been Lobbying On Tax Issues And The TCJA In 2021—Was Projected To Save $42 Billion Overall From The TCJA And Reported Saving Over $20 Billion On A -97.2% Effective Tax Rate The Year The Tax Cuts Were Enacted. Despite These Savings, The Company Cut Nearly 38,000 U.S. Jobs In The Two Years After The TCJA, And Reported $12.45 Billion In Unrecognized Tax Benefits In 2020.

- **JPMorgan**—Which Has Been Lobbying On Corporate Taxes In 2021—Saved $8.76 Billion From The TCJA In 2018-19, Its Effective Tax Rate Has Steadily Declined To 17.7% In FY2020, And It Reported $4.3 Billion In Unrecognized Tax Benefits.

- **FedEx**—Which Has Been Lobbying On Corporate Taxes, Biden's Jobs Plan, And The TCJA In 2021—Disclosed Over $1.26 Billion From TCJA Tax Benefits And An Effective Tax Rate Of -5.0% In 2018. The Company Has Filed A Lawsuit Seeking An Extra $233 Million In TCJA Tax Breaks In 2021, And Disclosed $192 Million In Unrecognized Tax Benefits.

- **Bristol-Myers Squibb**—Which Has Lobbied On Corporate Taxes, Biden's Jobs Plan, And The TCJA In 2021—Has Seen Its Tax Liability Fall Over 8 Percentage Points Since TCJA's Enactment And Has Disclosed Over $2 Billion In Unrecognized Tax Benefits.

- **Oracle Corporation**—Which Has Lobbied On Corporate Taxes And The TCJA In 2021—Disclosed An Effective Tax Rate Of Just 15.9% In 2021, It Has Shown Concern About "Unfavorable Changes In Tax Laws," And Disclosed Over $6.9 Billion In Unrecognized Tax Benefits In FY 2021.

## Republicans' "One Big Red Line" In Infrastructure Negotiations Is Protecting The Tax Cuts And Jobs Act Of 2017, Which Primarily Benefited Corporations, Slashed Their Income Tax Rates By 40%, And Ultimately Failed To Pay For Itself, As Promised.

### The "One Big Red Line" For Republicans In Infrastructure Negotiations Has Been Protecting Their 2017 Tax Cuts, Which Biden Has Proposed Undoing.

**Amid Infrastructure Negotiations, The "One Big Red Line" For Republicans Has Been "Protecting Their Massive 2017 Tax Cut," Which President Biden Has Proposed Undoing.** "For Democrats, the red lines included no new taxes on anyone earning less than $400,000, a promise Biden had made during his campaign. White House negotiators also ruled out any increase in the gasoline tax and no fees or taxes on electric vehicles. For Republicans, there was one big red line: protecting their massive 2017 tax cut, which Biden's original proposals would have gone after. The proposal's revenue assumptions already are drawing considerable scrutiny." [The Washington Post, 06/26/21]

### The $1.5 Trillion Tax Cuts And Jobs Act Of 2017 (TCJA), Trump's "Signature Legislative Achievement" Passed With Only Republican Support, Slashed Corporate Taxes By 40% And Predominantly Benefited The Wealthy.

**The Tax Cuts And Jobs Act Of 2017 (TCJA), "Passed With Only Republican Votes," Was The Trump Administration's "Signature Legislative Achievement."** "The Tax Cuts and Jobs Act of 2017, passed with only Republican votes, became the signature legislative achievement of the Trump administration. Tax rates for individuals and corporations were cut, new incentives were created, the standard deduction and estate tax exemption were increased, and the U.S. moved toward a territorial tax system." [NPR, 12/20/19]

**The TCJA Was Estimated To Cost $1.5 Trillion.** "It's time to put to rest any notion that President Trump's signature tax cuts are paying for themselves. Anyone who says otherwise is lying with numbers. A year after the $1.5 trillion tax-cut package took effect, economic growth has accelerated, just as Republicans promised it would when pushing the law through Congress." [The New York Times, 01/11/19]

**In January 2020, The Congressional Budget Office Estimated That Deficits Would Average $1.3 Trillion A Year For 10 Years Despite The Trump Administration's Insistence That The TCJA's Tax Cuts Would Pay For Themselves Over A Decade.** "U.S. Treasury Secretary Steven Mnuchin insisted on Wednesday that President Donald Trump's tax cuts will still pay for themselves over 10 years, even as the administration forecasts near-term deficits close to $1 trillion. [...] The Congressional Budget Office predicted in January that U.S. deficits would average $1.3 trillion a year over the next decade, far higher than envisioned in Trump's budget released on Monday. That level is viewed by some economists and policy makers as unsustainable." [Reuters, 02/12/20]

**Although The Trump Administration Claimed The TCJA Tax Cuts Would Help Working People, One Analysis Found That 60% Of Their Benefits Went To The Top 20% Of Earners, In Addition To Cutting Corporate Taxes By 40%.** "Passed on a party-line vote, the tax cut is the signature legislative accomplishment of President Trump's first term. He had campaigned hard for the measure, promising it would boost paychecks for working people. In fact, more than 60% of the tax savings went to people in the top 20% of the income ladder, according to the nonpartisan Tax Policy Center. The measure also slashed the corporate tax rate by 40%." [NPR, 12/20/19]

### The TCJA Reduced The Corporate Tax Rate From 35% To 21%—Cutting $233 Billion In Corporate Taxes By 2019—And Corporations Subsequently Spent Just 6% Of Their Proceeds On Workers In 2018.

**The Tax Cuts And Jobs Act Reduced The Corporate Tax Rate From 35% To 21%. "**The Tax Cut and Jobs Act made significant changes to the corporate income tax and taxes on pass-through businesses. Unlike almost all personal tax provisions, which expire after 2025, most corporate tax provisions are permanent. The Tax Cut and Jobs Act (TCJA) reduced the top corporate income tax rate from 35 percent to 21 percent, bringing the US rate below the average for most other Organisation for Economic Co-operation and Development countries, and eliminated the graduated corporate rate schedule." [Tax Policy Center, accessed 05/17/21]

- **In 2018, Just 6% Of Trump's $150 Billion In Corporate Tax Cuts Was Spent On Workers, With Most Of The Proceeds Being Spent On Shareholder Dividends And Stock Buybacks.** "The bill signed into law by Trump on 22 December 2017 cut the corporate tax rate from 35 to 21%, the largest such rate cut in US history […] But the fears of ordinary workers in regard to those promised higher wages were realized. The bulk of the $150bn the tax cut put into the hands of corporations in 2018 went into shareholder dividends and stock buy-backs, both of which line the pockets of the 10% of Americans who own 84% of the stocks. Just 6% of the tax savings was spent on workers, according to Just Capital, a not-for-profit that tracks the Russell 1000 index." [The Guardian, 04/30/19]

- **By December 2019, Corporations Had Received Tax Cuts Totaling $233 Billion. "**Several months before the TCJA was enacted, the Congressional Budget Office (CBO) projected that corporate tax revenues for fiscal years 2018 and 2019 would total $668 billion. In the forecast published soon after the TCJA was enacted, however, the CBO projected $519 billion in corporate tax revenue over those two years—a $149 billion decrease. Actual corporate tax revenue over that period came in significantly lower, at $435 billion—a $233 billion drop. Essentially, corporations have already received $233 billion in tax cuts, $84 billion more than the CBO projected." [Center for American Progress, 12/19/21]

## The TCJA Failed To Pay For Itself And Stem Corporate Tax Avoidance, As The Trump Administration Promised.

**Although Trump Treasury Secretary Steven Mnuchin Claimed The TCJA "'Would Pay For Itself With Economic Growth,'" Corporate Tax Revenue Fell By 31% In The Two Years After Its Passage.** "'It will be rocket fuel for our economy,' Trump promised. Boosters of the tax cut insisted the economy would grow so fast, it would more than make up for the revenue lost to lower rates. 'The tax plan will pay for itself with economic growth,' Treasury Secretary Steven Mnuchin said. [...] Corporate tax revenues fell 31% in the first year after the cut was passed. Overall tax revenues have declined as a share of the economy in each of the two years since the tax cut took effect." [NPR, 12/20/19]

**The Trump Administration Claimed The TCJA Would Discourage Corporate Tax Avoidance, But A 2021 Study Showed That It "Failed To Stem The Flow Of Corporate Earnings Overseas."** "A key selling point of the 2017 Tax Cuts and Jobs Act was that it would discourage multinational corporations from funneling billions in profits to offshore tax havens, bringing that money back to the U.S. where it could create jobs and boost economic growth. But a recent analysis concludes that the tax overhaul failed to stem the flow of corporate earnings overseas. The study, by Javier Garcia-Bernardo and Petr Janský of Charles University in Prague and Gabriel Zucman of the University of California, Berkeley, found that the TCJA had little impact on the share of foreign income booked by U.S. companies in tax havens like Bermuda and Ireland. From 2015 to 2020 — the years before and after the law took effect — that share held steady at about 50%." [CBS News, 07/08/21]

# Walmart—Which Has Been Lobbying On The TCJA And Tax Issues In 2021—Disclosed $2.85 Billion In Benefits From The Trump Tax Cuts, Its Effective Tax Rate Fell Due In Part To The Tax Cuts, And It Disclosed Over $1.8 Billion In Unrecognized Tax Breaks At The End Of FY20 That The IRS May Not Reject.

## Walmart Has Hired A Lobbying Firm To Monitor Developments On The TCJA And “Tax Proposals” Surrounding Biden’s Infrastructure Package In The First Half Of 2021,

**Q2 2021: Walmart Paid Lobbying Firm Capitol Counsel LLC $80,000 To Monitor “Legislative Efforts Related To The Tax Cuts And Jobs Act Of 2017” And “Tax Proposals Related To Infrastructure And The Proposed American Jobs Plan,” Among Other Issues.** “Monitor legislative impacts of the American Rescue Plan; monitor proposed legislative efforts related to the Tax Cuts and Jobs Act of 2017; monitoring of tax proposals related to infrastructure and the proposed American Jobs Plan.” [Capitol Counsel LLC LD-2 Lobbying Disclosure, 07/20/21]

**Q1 2021: Walmart Paid Lobbying Firm Capitol Counsel LLC $80,000 To Monitor “Legislative Efforts Related To The Tax Cuts And Jobs Act Of 2017” And “Tax Proposals Related To Infrastructure And The Proposed American Jobs Plan,” Among Other Issues.** “Monitor legislative impacts of the American Rescue Plan; monitor proposed legislative efforts related to the Tax Cuts and Jobs Act of 2017; monitoring of tax proposals related to infrastructure and the proposed American Jobs Plan.” [Capitol Counsel LLC LD-2 Lobbying Disclosure, 04/20/21]

## Walmart Has Disclosed $2.85 Billion In Tax Benefits From The TCJA In FY19 And FY18.

**Walmart Disclosed That It “Recognized A Deferred Tax Benefit Of $2.1 Billion” As A Result Of The TCJA In Fiscal Year 2018 And “An Additional Tax Benefit Of $75 Million” In Fiscal Year 2019.** “The Tax Act reduced the U.S. statutory tax rate from 35.0% to 21.0%, beginning January 2018. Accordingly, the Company re-measured its deferred taxes as of January 31, 2018, to reflect the reduced rate that will apply in future periods when these deferred taxes are settled or realized. In fiscal 2018, the Company recognized a deferred tax benefit of $2.1 billion to reflect the reduced U.S. tax rate and other effects of the Tax Act. In fiscal 2018, the Company made no provisional adjustment with respect to the GILTI provision of the Tax Act. Upon finalizing the provisional accounting for the remeasurement of U.S. deferred tax assets and liabilities in fiscal 2019, the Company recorded an additional tax benefit of $75 million, which is included as a component of provision for income taxes.” [Walmart Inc. Form 10-K, accessed 03/20/20]

## Walmart’s Fiscal Year 2020 Effective Tax Rate Fell To 24.4% From Over 30% In Prior Years, Due In Part To The TCJA’s Lowered Corporate Tax Rate.

**In Fiscal Year 2020, Walmart’s Effective Income Tax Rate Fell To 24.4% Due In Part To The TCJA’s Lower Statutory Tax Rate:**

| | Fiscal Years Ended January 31, | | |
|---|---|---|---|
| | 2020 | 2019 | 2018 |
| U.S. statutory tax rate | 21.0 % | 21.0 % | 33.8 % |
| U.S. state income taxes, net of federal income tax benefit | 2.2 % | 3.0 % | 1.7 % |
| Impact of the Tax Act: | | | |
| One-time transition tax | — % | 3.6 % | 12.3 % |
| Deferred tax effects | — % | (0.7)% | (14.1)% |
| Income taxed outside the U.S. | (1.0)% | (3.4)% | (6.3)% |
| Disposition of Walmart Brazil | — % | 6.7 % | — % |
| Valuation allowance | 2.3 % | 6.3 % | 2.1 % |
| Net impact of repatriated international earnings | 0.4 % | 0.8 % | (0.1)% |
| Federal tax credits | (0.8)% | (1.3)% | (0.9)% |
| Enacted change in tax laws | (1.9)% | — % | — % |
| Change in reserve for tax contingencies | 2.5 % | 0.6 % | (0.1)% |
| Other, net | (0.3)% | 0.8 % | 2.0 % |
| **Effective income tax rate** | 24.4 % | 37.4 % | 30.4 % |

[Walmart Inc. Form 10-K, accessed 03/20/20]

**In The Two Years Prior To The TCJA’s Enactment, Walmart Had An Effective Income Tax Rate Of 30.3%.**

| | Fiscal Years Ended January 31, | | |
|---|---|---|---|
| | 2018 | 2017 | 2016 |
| U.S. statutory tax rate | 33.8 % | 35.0 % | 35.0 % |
| U.S. state income taxes, net of federal income tax benefit | 1.8 % | 1.7 % | 1.8 % |
| Impact of the Tax Act: | | | |
| One-time transition tax | 12.3 % | — % | — % |
| Deferred tax effects | (14.1)% | — % | — % |
| Income taxed outside the U.S. | (4.1)% | (4.5)% | (4.0)% |
| Net impact of repatriated international earnings | (0.1)% | (1.0)% | 0.1 % |
| Other, net | 0.8 % | (0.9)% | (2.6)% |
| **Effective income tax rate** | 30.4 % | 30.3 % | 30.3 % |

[Walmart Form 10-K, 03/30/18]

**The TCJA Was Enacted On December 22, 2017, According To Walmart's Filing.** "On December 22, 2017, the Tax Act was enacted and contains significant changes to U.S. income tax law." [Walmart Form 10-K, 03/30/18]

## Walmart Tried To Credit The TCJA For Its 2018 Minimum Wage Increase, But This Was Disputed By A Brookings Institution Expert Who Noted Walmart Had Already Been Raising Wages, Was Incentivized To Raise Wages In A Tight Labor Market, And Was Increasingly Subject To State And Local Minimum Wage Increases.

**Walmart Announced It Was Raising Its Minimum Wage To $11 An Hour And Directly Attributed Its Decision To The Passage Of The TCJA.** "Indeed, Walmart announced a pay raise and bonuses for all of its workers Thursday to a minimum of $11 an hour, attributing the increase directly to the bill's corporate tax cut. Supporters of the tax law, such as Republican Sen. Orrin Hatch of Utah, have been quick to declare this action as proof that the tax cuts would help workers." [Brookings Institution, 01/16/18]

**A Brookings Institution Analyst Was "Dubious About Walmart's Claim," Noting That The Company Had Already Been Raising Its Wages In Prior Years, That It Needed To Raise Wages To Remain Competitive In A Tight Labor Market, And It Was Subject To Many State And Local Minimum Wage Increases.** "I am dubious about Walmart's claim. First, it has already been raising wages, and began doing so well before the corporate tax cut passed. It first did so in a well-publicized move in early 2015, when it raised its minimum wage to $9 an hour. In 2016, it followed up with another increase to $10. The current increase simply continues a trend it started three years ago. Second, there are very good reasons for Walmart to increase benefits—even absent the tax cut—because of the labor market circumstances it faces. With the nation's unemployment rate now at nearly 4 percent, labor markets around the country have grown tight, and at least some employers feel wage increases are necessary to attract and retain their best workers. [...] Third, as many states and cities around the country raise their minimum wage requirements above the federal level (stuck at $7.25 since 2009), companies like Walmart are sometimes forced to raise their own pay, especially if they want to stay enough above the legal minimum to distinguish themselves from other low-wage retail and fast-food establishments." [Brookings Institution, 01/16/18]

## In FY 2020 Walmart Disclosed $1.817 Billion In Unrecognized Tax Benefits That May Not Be Subject To Audit After Congressional Republicans Hobbled IRS Enforcement—These Unrecognized Benefits Were Up From $1.010 Billion In FY 2018.

**Walmart Disclosed $1.817 Billion In Unrecognized Tax Benefits At The End Of Fiscal Year 2020, An Increase From $1.305 Billion In 2019 And $1.010 Billion In 2018.**

| (Amounts in millions) | Fiscal Years Ended January 31, 2020 | 2019 | 2018 |
|---|---|---|---|
| **Unrecognized tax benefits, beginning of year** | $ 1,305 | $ 1,010 | $ 1,050 |
| Increases related to prior year tax positions | 516 | 620 | 130 |
| Decreases related to prior year tax positions | (15) | (107) | (254) |
| Increases related to current year tax positions | 66 | 203 | 122 |
| Settlements during the period | (29) | (390) | (23) |
| Lapse in statutes of limitations | (26) | (31) | (15) |
| **Unrecognized tax benefits, end of year** | $ 1,817 | $ 1,305 | $ 1,010 |

[Walmart Inc. Form 10-K, accessed 03/20/20]

**At The End Of 2020, S&P 500 Companies Disclosed $235 Billion In "'Unrecognized'" Or "'Uncertain'" Tax Benefits That Were Awaiting Approval By Tax Authorities—This Amount Was 43% Higher Than A Decade Prior.** "Companies currently in the S&P 500 index had $235 billion in tax breaks awaiting audit at the end of last year, up 43 percent from a decade earlier, data show. These tax breaks, defined by companies as "unrecognized" or "uncertain" tax benefits, include deductions that companies see as unlikely to be approved by authorities because they rely on disputable interpretations of the tax code, experts said." [Washington Post, 07/14/21]

**Experts Have Likened Unrecognized Tax Benefits To "A Loan From The IRS" Because They May Have To Repaid—However, The "'Loan' Is Essentially Forgiven" If The IRS Does Not Reject Benefits Corporations Claim.** "Several experts compared an unrecognized tax benefit to a loan from the IRS, because the company eventually may have to pay back the savings, along with interest. When the IRS takes no action, or reviews the tax break and gives approval, the "loan" is essentially forgiven." [Washington Post, 07/14/21]

**After Congressional Republicans "Moved To Slash The IRS Budget" During The Obama Administration, The Agency Began Auditing Only Half Of All Large Corporate Tax Returns—Previously, The IRS Audited "Virtually Every Tax Return Filed By Large Corporations" And Rejected Inappropriate Tax Breaks They Tried To Claim.** "Federal audits of corporate tax returns have plunged in recent years, letting big companies claim elaborate tax breaks with less government scrutiny, according to a Washington Post analysis of company filings. Accounting rules permit businesses to claim tax breaks even if they are likely to be overturned by tax authorities, legal experts said. In the past, the Internal Revenue Service audited virtually every tax return filed by large corporations and rejected tax breaks it deemed inappropriate, data show. But during the Obama administration, congressional Republicans moved to slash the IRS budget, shrinking the agency's staff and straining its ability to conduct audits. As a result, the federal government now examines just half of all large company tax returns, despite businesses claiming increasing tax benefits over this period that they say could be overturned by authorities, according to regulatory filings, interviews with tax policy experts and data from the IRS and financial researcher Calcbench." [Washington Post, 07/14/21]

# Apple—Which Has Been Lobbying On Tax Issues And Biden's Jobs Plan In 2021—Disclosed A $582 Million Tax Benefit Due To The TCJA In FY2020, Its Effective Rate Was Over 10 Percentage Points Less Than The Year Before The TCJA Took Place, And—After Apple Had Been "'The World Champion At Global Tax Avoidance'" For Decades—It Tried To Take Credit For A Lowered $38 Billion Repatriation Tax Payment Under The TCJA.

## Apple Has Lobbied On Tax Issues And The American Jobs Plan In The First Half Of 2021.

**Q2 2021: Apple Inc. Spent $1.64 Million Lobbying On "Issues Related To Foreign And Domestic Tax," Among Other Issues.** "Issues related to foreign and domestic tax" [Apple Inc. LD-2 Lobbying Disclosure, 07/20/21]

**Q2 2021: Apple Inc. Paid Lobbying Firm Team Hallahan LLC $30,000 To Lobby On The American Jobs Plan And Other Issues.** "Appropriations Funding for CHIPs Act; FY 22 Commerce, Justice, State Appropriations bill, Endless Frontier Act, American Jobs Plan; U.S. Innovation and Competition Act (S. 1260)." [Team Hallahan LLC LD-2 Lobbying Disclosure, 07/20/21]

**Q1 2021: Apple Inc. Paid Lobbying Firm Team Hallahan LLC $30,000 To Lobby On The American Jobs Plan And Other Issues.** "Appropriations Funding for CHIPs Act; FY 22 Commerce, Justice, State Appropriations bill, Endless Frontier Act, American Jobs Plan; U.S. Innovation and Competition Act (S. 1260)." [Team Hallahan LLC LD-2 Lobbying Disclosure, 04/20/21]

## In FY20, Apple Disclosed Paying $582 Million Less In Income Taxes Due To The TCJA And Reported A 14.4% Effective Income Tax Rate—Over 10 Percentage Points Less Than The 24.6% Rate It Paid In The Year Before The Tax Cuts Were Enacted.

### Apple Inc. Disclosed Paying $582 Million Less In Income Taxes In Fiscal Year 2020 Due To The TCJA And A 14.4% Effective Tax Rate—Down From 15.9% In 2019 And 18.3% In 2018:

A reconciliation of the provision for income taxes, with the amount computed by applying the statutory federal income tax rate (21% in 2020 and 2019; 24.5% in 2018) to income before provision for income taxes for 2020, 2019 and 2018, is as follows (dollars in millions):

A reconciliation of the provision for income taxes, with the amount computed by applying the statutory federal income tax rate (21% in 2020 and 2019; 24.5% in 2018) to income before provision for income taxes for 2020, 2019 and 2018, is as follows (dollars in millions):

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Computed expected tax | $ 14,089 | $ 13,805 | $ 17,890 |
| State taxes, net of federal effect | 423 | 423 | 271 |
| Impacts of the Act | (582) | — | 1,515 |
| Earnings of foreign subsidiaries | (2,534) | (2,625) | (5,606) |
| Research and development credit, net | (728) | (548) | (560) |
| Excess tax benefits from equity awards | (930) | (639) | (675) |
| Other | (58) | 65 | 537 |
| Provision for income taxes | $ 9,680 | $ 10,481 | $ 13,372 |
| Effective tax rate | 14.4 % | 15.9 % | 18.3 % |

[Apple Inc. Form 10-K, 10/29/20]

- **The Tax Cuts And Jobs Act, Which Apple Referred To As "The Act" In The Above Table, Imposed "A Deemed Repatriation Tax On Previously Deferred Foreign Income" In 2018.** "On December 22, 2017, the U.S. enacted the Tax Cuts and Jobs Act (the 'Act'), which significantly changed U.S. tax law. The Act lowered the Company's U.S. statutory federal income tax rate from 35% to 21% effective January 1, 2018, while also imposing a deemed repatriation tax on previously deferred foreign income. The Act also created a new minimum tax on certain foreign earnings, for which the Company has elected to record certain deferred tax assets and liabilities." [Apple Inc. Form 10-K, 10/29/20]

### Apple's Effective Income Tax Rate Of 14.4% In Fiscal Year 2020 Was Significantly Less Than Rates It Paid Before The TCJA Was Enacted At The Beginning Of 2018—24.6% In Fiscal Year 2017 And 25.6% In Fiscal Year 2016:

**Provision for Income Taxes**

Provision for income taxes, effective tax rate and statutory federal income tax rate for 2020, 2019 and 2018 were as follows (dollars in millions):

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Provision for income taxes | $ 9,680 | $ 10,481 | $ 13,372 |
| Effective tax rate | 14.4 % | 15.9 % | 18.3 % |
| Statutory federal income tax rate | 21 % | 21 % | 24.5 % |

[Apple Inc. Form 10-K, 10/29/20]

- **Apple Disclosed Paying Effective Tax Rates Of 24.6% In Fiscal Year 2017 And 25.6% In Fiscal Year 2016.**

**Provision for Income Taxes**

Provision for income taxes and effective tax rates for 2018 , 2017 and 2016 were as follows (dollars in millions):

| | 2018 | 2017 | 2016 |
|---|---|---|---|
| Provision for income taxes | $ 13,372 | $ 15,738 | $ 15,685 |
| Effective tax rate | 18.3% | 24.6% | 25.6% |

[Apple Inc. Form 10-K, 11/05/18]

- **Apple Disclosed That The TCJA's New Lower Corporate Tax Rate Was Effective January 1, 2018.** "The Act lowered the Company's U.S. statutory federal income tax rate from 35% to 21% effective January 1, 2018, while also imposing a deemed repatriation tax on previously deferred foreign income." [Apple Inc. Form 10-K, 10/29/20]

## In 2018, Apple Tried To Take Credit For Paying The TCJA's Repatriation Tax Payment Of $38 Billion, Claiming It "'The Largest Of Its Kind Ever Made'"—But A "Foremost" Tax Expert Noted That Apple Was Only Subject To Such A Large Tax Because It Had Been "'The World Champion At Global Tax Avoidance.'"

**January 2018: After Apple Claimed It Was Repatriating Funds Back To The U.S. Following The Enactment Of The TCJA, Trump Took Credit And Claimed "'Great to see Apple follow through as a result of TAX CUTS.'"** "To hear the White House tell it, Apple's big announcement last week that it would increase jobs and make billions in new investments in the United States is proof positive that the big tax cut President Trump signed in December is working. 'I promised that my policies would allow companies like Apple to bring massive amounts of money back to the United States,' President Trump tweeted. 'Great to see Apple follow through as a result of TAX CUTS. Huge win for American workers and the USA!'" [Los Angeles Times, 01/22/18]

**A "Foremost" Tax Expert Noted That Apple And Other Companies Repatriating Their Income Due To The TCJA Were Subject To Rates Significantly Lower Than The Corporate Rate Of 21%—15.5% On Cash And 8% For Real Investment.** "'Effectively, they've repatriated $97 billion,' notes tax expert Edward Kleinbard of USC, perhaps the nation's foremost expert in the 'stateless income' held overseas by U.S. corporations. (He estimates the sum at about $3 trillion, of which about $1.2 trillion is in cash and the rest in real investment such as in bricks and mortar.) The tax legislation subjects that income to U.S. tax, though at a rate of only 15.5% on the cash and about 8% for the real investment, compared with the overall top corporate rate of 21% — that's what's really meant by 'bringing it home.'" [Los Angeles Times, 01/22/18]

**The Expert Discredited Apple's Claim That Its TCJA Repatriation Tax Of $38 Billion Was "'The Largest Of Its Kind Ever Made'" By Noting That It Had Such A Large Outstanding Balance Because "'It Has Been The World Champion At Global Tax Avoidance.'"** "Apple wants to be congratulated for having to make a payment of $38 billion in this repatriation tax, which it says is probably 'the largest of its kind ever made.' Kleinbard says the company shouldn't win plaudits for this payment. 'Apple is paying a record tax because for the last two decades, it has been the world champion at global tax avoidance. They've accumulated vast earnings outside the United States and paid tax essentially nowhere on that income to speak of.' The size of the levy demonstrates that the earnings have not been taxed by foreign countries, or Apple would be able to credit its foreign taxes against the U.S. levy. 'The $38 billion is not a sign of corporate virtue," Kleinbard says, "but its having been the world's biggest tax scofflaw.'" [Los Angeles Times, 01/22/18]

## In FY 2020, Apple Disclosed $16.5 Billion In Unrecognized Tax Benefits That The IRS May Not Audit Because It Has Been Hobbled By Congressional Republicans—These Unrecognized Benefits Were Up From Nearly $9.7 Billion In FY 2018.

**Apple Disclosed $16.5 Billion In Unrecognized Tax Benefits As Of September 26, 2020, The End Of Its Fiscal Year 2020.** “As of September 26, 2020, the total amount of gross unrecognized tax benefits was $16.5 billion, of which $8.8 billion, if recognized, would impact the Company’s effective tax rate. As of September 28, 2019, the total amount of gross unrecognized tax benefits was $15.6 billion, of which $8.6 billion, if recognized, would have impacted the Company’s effective tax rate.” [Apple Inc. Form 10-K, 10/29/20]

- **Apple’s 2020 Fiscal Year Ended September 26, 2020.** “For the fiscal year ended September 26, 2020” [Apple Inc. Form 10-K, 10/29/20]

**Apple’s 2020 Balance Of Unrecognized Taxes Was Up From $15.619 Billion In 2019 And $9.694 Billion In 2018:**

The aggregate change in the balance of gross unrecognized tax benefits, which excludes interest and penalties, for 2020, 2019 and 2018, is as follows (in millions):

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Beginning balances | $ 15,619 | $ 9,694 | $ 8,407 |
| Increases related to tax positions taken during a prior year | 454 | 5,845 | 2,431 |
| Decreases related to tax positions taken during a prior year | (791) | (686) | (2,212) |
| Increases related to tax positions taken during the current year | 1,347 | 1,697 | 1,824 |
| Decreases related to settlements with taxing authorities | (85) | (852) | (756) |
| Decreases related to expiration of the statute of limitations | (69) | (79) | — |
| Ending balances | $ 16,475 | $ 15,619 | $ 9,694 |

[Apple Inc. Form 10-K, 10/29/20]

**At The End Of 2020, S&P 500 Companies Disclosed $235 Billion In “‘Unrecognized’” Or “‘Uncertain’” Tax Benefits That Were Awaiting Approval By Tax Authorities—This Amount Was 43% Higher Than A Decade Prior.** “Companies currently in the S&P 500 index had $235 billion in tax breaks awaiting audit at the end of last year, up 43 percent from a decade earlier, data show. These tax breaks, defined by companies as “unrecognized” or “uncertain” tax benefits, include deductions that companies see as unlikely to be approved by authorities because they rely on disputable interpretations of the tax code, experts said.” [Washington Post, 07/14/21]

**Experts Have Likened Unrecognized Tax Benefits To “A Loan From The IRS” Because They May Have To Repaid—However, The “‘Loan’ Is Essentially Forgiven” If The IRS Does Not Reject Benefits Corporations Claim.** “Several experts compared an unrecognized tax benefit to a loan from the IRS, because the company eventually may have to pay back the savings, along with interest. When the IRS takes no action, or reviews the tax break and gives approval, the “loan” is essentially forgiven.” [Washington Post, 07/14/21]

**After Congressional Republicans “Moved To Slash The IRS Budget” During The Obama Administration, The Agency Began Auditing Only Half Of All Large Corporate Tax Returns—Previously, The IRS Audited “Virtually Every Tax Return Filed By Large Corporations” And Rejected Inappropriate Tax Breaks They Tried To Claim.** “Federal audits of corporate tax returns have plunged in recent years, letting big companies claim elaborate tax breaks with less government scrutiny, according to a Washington Post analysis of company filings. Accounting rules permit businesses to claim tax breaks even if they are likely to be overturned by tax authorities, legal experts said. In the past, the Internal Revenue Service audited virtually every tax return filed by large corporations and rejected tax breaks it deemed inappropriate, data show. But during the Obama administration, congressional Republicans moved to slash the IRS budget, shrinking the agency’s staff and straining its ability to conduct audits. As a result, the federal government now examines just half of all large company tax returns, despite businesses claiming increasing tax benefits over this period that they say could be overturned by authorities, according to regulatory filings, interviews with tax policy experts and data from the IRS and financial researcher Calcbench.” [Washington Post, 07/14/21]

## In FY 2020, Apple Disclosed $16.5 Billion In Unrecognized Tax Benefits That May Not Be Subject To Audit After Congressional Republicans Hobbled IRS Enforcement—Apple’s Unrecognized Benefits Were Up From Nearly $9.7 Billion In FY 2018.

**Apple Disclosed $16.5 Billion In Unrecognized Tax Benefits As Of September 26, 2020, The End Of Its Fiscal Year 2020.** "As of September 26, 2020, the total amount of gross unrecognized tax benefits was $16.5 billion, of which $8.8 billion, if recognized, would impact the Company's effective tax rate. As of September 28, 2019, the total amount of gross unrecognized tax benefits was $15.6 billion, of which $8.6 billion, if recognized, would have impacted the Company's effective tax rate." [Apple Inc. Form 10-K, 10/29/20]

- **Apple's 2020 Fiscal Year Ended September 26, 2020.** "For the fiscal year ended September 26, 2020" [Apple Inc. Form 10-K, 10/29/20]

**Apple's 2020 Balance Of Unrecognized Taxes Was Up From $15.619 Billion In 2019 And $9.694 Billion In 2018:**

The aggregate change in the balance of gross unrecognized tax benefits, which excludes interest and penalties, for 2020, 2019 and 2018, is as follows (in millions):

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Beginning balances | $ 15,619 | $ 9,694 | $ 8,407 |
| Increases related to tax positions taken during a prior year | 454 | 5,845 | 2,431 |
| Decreases related to tax positions taken during a prior year | (791) | (686) | (2,212) |
| Increases related to tax positions taken during the current year | 1,347 | 1,697 | 1,824 |
| Decreases related to settlements with taxing authorities | (85) | (852) | (756) |
| Decreases related to expiration of the statute of limitations | (69) | (79) | — |
| Ending balances | $ 16,475 | $ 15,619 | $ 9,694 |

[Apple Inc. Form 10-K, 10/29/20]

**At The End Of 2020, S&P 500 Companies Disclosed $235 Billion In "'Unrecognized'" Or "'Uncertain'" Tax Benefits That Were Awaiting Approval By Tax Authorities—This Amount Was 43% Higher Than A Decade Prior.** "Companies currently in the S&P 500 index had $235 billion in tax breaks awaiting audit at the end of last year, up 43 percent from a decade earlier, data show. These tax breaks, defined by companies as "unrecognized" or "uncertain" tax benefits, include deductions that companies see as unlikely to be approved by authorities because they rely on disputable interpretations of the tax code, experts said." [Washington Post, 07/14/21]

**Experts Have Likened Unrecognized Tax Benefits To "A Loan From The IRS" Because They May Have To Repaid—However, The "'Loan' Is Essentially Forgiven" If The IRS Does Not Reject Benefits Corporations Claim.** "Several experts compared an unrecognized tax benefit to a loan from the IRS, because the company eventually may have to pay back the savings, along with interest. When the IRS takes no action, or reviews the tax break and gives approval, the "loan" is essentially forgiven." [Washington Post, 07/14/21]

**After Congressional Republicans "Moved To Slash The IRS Budget" During The Obama Administration, The Agency Began Auditing Only Half Of All Large Corporate Tax Returns—Previously, The IRS Audited "Virtually Every Tax Return Filed By Large Corporations" And Rejected Inappropriate Tax Breaks They Tried To Claim.** "Federal audits of corporate tax returns have plunged in recent years, letting big companies claim elaborate tax breaks with less government scrutiny, according to a Washington Post analysis of company filings. Accounting rules permit businesses to claim tax breaks even if they are likely to be overturned by tax authorities, legal experts said. In the past, the Internal Revenue Service audited virtually every tax return filed by large corporations and rejected tax breaks it deemed inappropriate, data show. But during the Obama administration, congressional Republicans moved to slash the IRS budget, shrinking the agency's staff and straining its ability to conduct audits. As a result, the federal government now examines just half of all large company tax returns, despite businesses claiming increasing tax benefits over this period that they say could be overturned by authorities, according to regulatory filings, interviews with tax policy experts and data from the IRS and financial researcher Calcbench." [Washington Post, 07/14/21]

## AT&T—Which Has Been Lobbying On Tax Issues And The TCJA In 2021—Was Projected To Save $42 Billion Overall From The TCJA, Reported Saving Over $20 Billion On A -97.2% Effective Tax Rate The Year The Tax Cuts Were Enacted, Cut Nearly 38,000 U.S. Jobs In The Two Years After The TCJA, And Reported $12.45 Billion In Unrecognized Tax Benefits In 2020.

### AT&T Services Inc., A Legal Entity Of AT&T, Has Lobbied On The TCJA And Other Tax Issues In The First Half Of 2021.

**AT&T Services Inc. Is A Legal Entity Of AT&T.** [AT&T, accessed 07/22/21]

**Q2 2021: AT&T Services Inc. Paid Lobbying Firm Akin Gump Strauss Hauer & Feld $80,000 To Lobby On "Implementation of The Tax Cuts & Jobs Act of 2017," Among Other Issues.** "Implementation of The Tax Cuts & Jobs Act of 2017, including but not limited to interest expense and international provisions. Tax issues related to COVID-19." [Akin Gump Strauss Hauer & Feld LD-2 Lobbying Disclosure, 07/20/21]

**Q1 2021: AT&T Services Inc. Paid Lobbying Firm Akin Gump Strauss Hauer & Feld $80,000 To Lobby On "Implementation of The Tax Cuts & Jobs Act of 2017," Among Other Issues.** "Implementation of The Tax Cuts & Jobs Act of 2017, including but not limited to interest expense and international provisions. Tax issues related to COVID-19." [Akin Gump Strauss Hauer & Feld LD-2 Lobbying Disclosure, 07/20/21]

**Q2 2021: AT&T Services Inc. And Its Affiliates Spent $3.09 Million Lobbying On "Issues Related To International Taxation, Capital Gains And Dividend Taxation," Among Other Issues.** "Issues impacting corporate taxation and employer provided benefits; issues related to international taxation, capital gains and dividend taxation." [AT&T Services Inc. And Its Affiliates LD-2 Lobbying Disclosure, 07/20/21]

**Q1 2021: AT&T Services Inc. Paid Lobbying Firm Capitol Counsel LLC $60,000 For "Monitoring Tax Related Issues" And Other Matters.** "Monitoring tax related issues." [Capitol Counsel LLC LD-2 Lobbying Disclosure, 04/20/21]

**Q2 2021: AT&T Services Inc. Paid Lobbying Firm Capitol Counsel LLC $60,000 For "Monitoring Tax Related Issues" And Other Matters.** "Monitoring tax related issues." [Capitol Counsel LLC LD-2 Lobbying Disclosure, 04/20/21]

### AT&T, Which Was Projected To Save $42 Billion From The TCJA, Disclosed That The Cuts Reduced Its Taxes By $20.98 Billion In 2017 And 2018—The Company Also Reported A -97.2% Effective Tax Rate In 2017, Heavily Due To The Tax Cuts.

**AT&T Was Estimated To "Save As Much As $42 Billion" From The TCJA.** "AT&T, which could save as much as $42 billion from the tax cut, says it has live up to its promises and then some." [CBS News, 08/28/19]

**AT&T Disclosed That The TCJA Reduced Its Tax Expense By $20.27 Billion In 2017 And $718 Million In 2018.** "Dollars in millions except per share amounts [...] The Tax Cuts and Jobs Act (the Act) was enacted on December 22, 2017. The Act reduced the U.S. federal corporate tax rate from 35% to 21% and implemented a territorial tax system. Accounting Standards Codification (ASC) 740, 'Income Taxes,' requires that the effects of changes in tax rates and laws be recognized in the period in which the legislation is enacted. As a result, we decreased our 2017 tax expense by $20,271 primarily related to the remeasurement of our net deferred tax liabilities at the new lower federal tax rate, $816 of which represented the change in statutory rates on items deductible in the fourth quarter. The effects related to foreign earnings of the one-time transition tax and new territorial tax system did not create material impacts to the effective tax rate and total tax expense. Also, as a result of the Act, we decreased our 2018 tax expense by $718 primarily related to the measurement period adjustments of our net deferred tax liabilities at the new lower [sic]." [AT&T Inc. Form 10-K, 02/20/19]

**AT&T Reported A Negative -97.2% Effective Tax Rate And Paying $20.271 Billion Less In Taxes In 2017, The Year The TCJA Was Enacted:**

A reconciliation of income tax expense (benefit) and the amount computed by applying the statutory federal income tax rate (21% for 2018 and 35% for 2017 and 2016) to income from continuing operations before income taxes is as follows:

| | 2018 | 2017 | 2016 |
|---|---|---|---|
| Taxes computed at federal statutory rate | $ 5,223 | $ 5,299 | $ 6,934 |
| Increases (decreases) in income taxes resulting from: | | | |
| State and local income taxes – net of federal income tax benefit | 738 | 509 | 416 |
| Enactment date and measurement period adjustments from the Act | (718) | (20,271) | - |
| Tax on foreign investments | (466) | 73 | 168 |
| Mexico restructuring | - | - | (471) |
| Other – net | 143 | (318) | (568) |
| Total | $ 4,920 | $ (14,708) | $ 6,479 |
| Effective Tax Rate | 19.8 % | (97.2)% | 32.7 % |

[AT&T Inc. Form 10-K, 02/20/19]

- **The TCJA Was Enacted On December 22, 2017.** "The Tax Cuts and Jobs Act (the Act) was enacted on December 22, 2017." [AT&T Inc. Form 10-K, 02/20/19]

## AT&T's CEO Was "One Of The Most Vocal Proponents" Of The TCJA And The Company Promised Increased Hiring Due To The Law—But The Company Cut 37,818 U.S. Jobs In The Two Years Following The Tax Cuts.

**AT&T's CEO Was "One Of The Most Vocal Proponents" Of The TCJA And The Company Claimed It Would Increase Hiring Due To The Tax Cuts.** "AT&T CEO Randall Stephenson was one of the most vocal proponents of President Donald Trump's 2017 corporate tax cut, endorsing the idea that it would lead to higher wages for workers. The telecommunications giant was also one of the first companies to announce, even before the law was officially signed, that its employees would get a $1,000 bonus because of the cut." [CBS News, 08/28/19]

- **AT&T Promised A "Hiring Spree."** "The company strongly supported the tax cut bill and promised workers a $1,000 bonus ahead of the bill's passage amid claims of a hiring spree." [The Guardian, 03/10/20]

**AT&T Cut 37,818 U.S. Jobs From The TCJA's Enactment Through The End Of 2019.** "Huge tax cuts, supported by AT&T, were meant to allow companies to hire more and pay better. But instead AT&T has cut 37,818 jobs in the US from when the Trump tax cut bill first went into effect in 2018 to the end of 2019, with more than 4,000 jobs cut in the last quarter of 2019, based on the company's quarterly reports." [The Guardian, 03/10/20]

## At The End Of FY 2020, AT&T Disclosed $12.45 Billion In Unrecognized Tax Benefits That May Not Be Subject To Audit After Congressional Republicans Hobbled IRS Enforcement.

**AT&T Had $12.451 Billion In Unrecognized Tax Benefits As Of December 31, 2020, The End Of Its 2020 Fiscal Year.** "As discussed in Note 14 to the consolidated financial statements, at December 31, 2020, the Company had recorded unrecognized tax benefits of $12,451 million for uncertain tax positions." [AT&T Form 10-K, 02/25/21]

- **AT&T's 2020 Fiscal Year Ended December 31, 2020.** [AT&T Form 10-K, 02/25/21]

**At The End Of 2020, S&P 500 Companies Disclosed $235 Billion In "'Unrecognized'" Or "'Uncertain'" Tax Benefits That Were Awaiting Approval By Tax Authorities—This Amount Was 43% Higher Than A Decade Prior.** "Companies currently in the S&P 500 index had $235 billion in tax breaks awaiting audit at the end of last year, up 43 percent from a decade earlier, data show. These tax breaks, defined by companies as "unrecognized" or "uncertain" tax benefits, include deductions that companies see as unlikely to be approved by authorities because they rely on disputable interpretations of the tax code, experts said." [Washington Post, 07/14/21]

**Experts Have Likened Unrecognized Tax Benefits To "A Loan From The IRS" Because They May Have To Repaid—However, The "'Loan' Is Essentially Forgiven" If The IRS Does Not Reject Benefits Corporations Claim.** "Several experts compared an unrecognized tax benefit to a loan from the IRS, because the company eventually may have to pay back the savings, along with interest. When the IRS takes no action, or reviews the tax break and gives approval, the "loan" is essentially forgiven." [Washington Post, 07/14/21]

**After Congressional Republicans "Moved To Slash The IRS Budget" During The Obama Administration, The Agency Began Auditing Only Half Of All Large Corporate Tax Returns—Previously, The IRS Audited "Virtually Every Tax Return Filed By Large Corporations" And Rejected Inappropriate Tax Breaks They Tried To Claim.** "Federal audits of corporate tax returns have plunged in recent years, letting big companies claim elaborate tax breaks with less government scrutiny, according to a Washington Post analysis of company filings. Accounting rules permit businesses to claim tax breaks even if they are likely to be overturned by tax authorities, legal experts said. In the past, the Internal Revenue Service audited virtually every tax return filed by large corporations and rejected tax breaks it deemed inappropriate, data show. But during the Obama administration, congressional Republicans moved to slash the IRS budget, shrinking the agency's staff and straining its ability to conduct audits. As a result, the federal government now examines just half of all large company tax returns, despite businesses claiming increasing tax benefits over this period that they say could be overturned by authorities, according to regulatory filings, interviews with tax policy experts and data from the IRS and financial researcher Calcbench." [Washington Post, 07/14/21]

# JPMorgan—Which Has Been Lobbying On Corporate Taxes In 2021—Saved $8.76 Billion From The TCJA In 2018-19, Its Effective Tax Rate Has Steadily Declined To 17.7% In FY2020, And It Reported $4.3 Billion In Unrecognized Tax Benefits That May Not Be Subject To IRS Audit.

## JPMorgan Chase Holdings LLC Has Lobbied On "Corporate Tax Issues" In The First Half Of 2021.

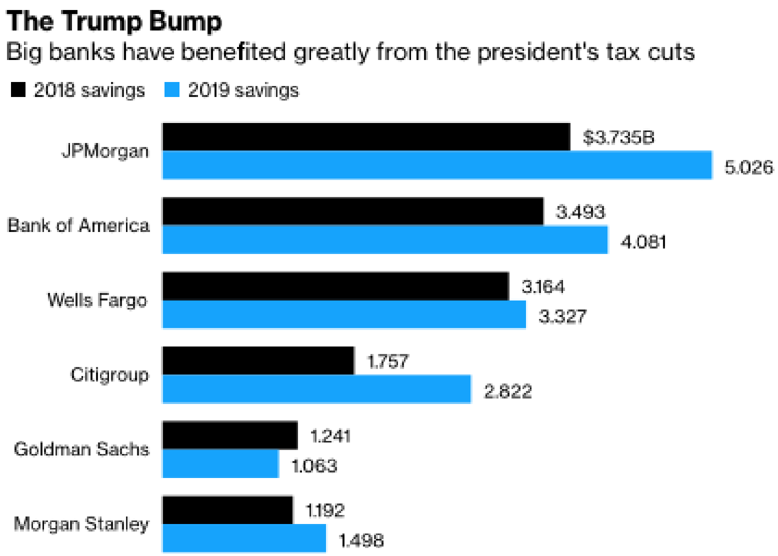
**JP Morgan Chase Holding LLC Is An Intermediate Holding Company Of JPMorgan Chase & Co.** "JPMorgan Chase & Co. is a holding company that holds the stock of JPMorgan Chase Bank, N.A. and an intermediate holding company, JPMorgan Chase Holdings LLC (the 'IHC')." [JPMorgan Chase & Co. Form 10-K, 02/23/21]

**Q2 2021: JPMorgan Chase Holdings LLC Spent $700,000 Lobbying "Corporate Tax Issues," Among Other Matters.** "Discussed corporate tax issues." [JPMorgan Chase Holdings LLC LD-2 Lobbying Disclosure, 07/20/21]

**Q1 2021: JPMorgan Chase Holdings LLC Spent $670,000 Lobbying "Corporate Tax Issues," Among Other Matters.** "Discussed corporate tax issues." [JPMorgan Chase Holdings LLC LD-2 Lobbying Disclosure, 04/20/21]

## As JPMorgan Chase Saved $8.76 Billion From The TCJA In 2018 And 2019, Trump Suggested That A Senior Executive Thank Him For The Tax Cuts, Adding "'I Made A Lot Of Bankers Look Very Good.'"

**JPMorgan Chase Saved A Total Of $8.761 Billion From The TCJA In 2018 And 2019:**




[Bloomberg, 01/16/20]

**January 2020: Trump "Greeted A Senior JPMorgan Executive By Suggesting The Bank Thank Him" For The Tax Cuts, Adding "'I Made A Lot Of Bankers Look Very Good.'"** "Trump, who's also pushed to ease financial regulation, indicated Wednesday he's aware that his efforts have helped banks boost profits. At a gathering of corporate leaders to celebrate his trade deal with China, he greeted a senior JPMorgan executive by suggesting the bank thank him. 'They just announced earnings and they were incredible,' the president said of the nation's largest bank. 'I made a lot of bankers look very good. But you're doing a great job.'" [Bloomberg, 01/16/20]

**JPMorgan Chase Was The Biggest U.S. Bank.** "'They just announced earnings and they were incredible,' the president said of the nation's largest bank. 'I made a lot of bankers look very good. But you're doing a great job.'" [Bloomberg, 01/16/20]

## JPMorgan's Effective Income Tax Rate Steadily Declined To 17.7% In Fiscal Year 2020 From 20.3% In Fiscal Year 2018 After Paying An Increased Rate In FY 2017 Due To The TCJA's One-Time Repatriation Tax.

**By January 2020, The TCJA Lowered The Biggest Banks' Effective Tax Rates To 18-20%, Down From The Average 30% Rate They Paid Before The Tax Cuts.** "JPMorgan Chase & Co., Bank of America Corp., Citigroup Inc., Wells Fargo & Co., Goldman Sachs Group Inc. and Morgan Stanley posted earnings this week showing they saved $18 billion in 2019, more than the prior year, as their average effective tax rate fell to 18% from 20%. Bloomberg News calculated the haul by comparing the lower tax rates to what they paid before the law took effect, which averaged 30%." [Bloomberg, 01/16/20]

**JPMorgan Chase's Effective Income Tax Rate Continued Falling To 17.7% In Fiscal Year 2020, From 18.2% In 2019 And 20.3% In 2018.**

**Income tax expense**

| Year ended December 31, (in millions, except rate) | 2020 | 2019 | 2018 |
|---|---|---|---|
| Income before income tax expense | $ 35,407 | $ 44,545 | $ 40,764 |
| Income tax expense | 6,276 | 8,114 | 8,290 |
| Effective tax rate | 17.7 % | 18.2 % | 20.3 % |

[JPMorgan Chase Form 10-K, 02/23/21]

**JPMorgan Chase's 2017 Effective Income Tax Rate Was Increased To 31.9% Due In Part To The TCJA's One-Time Repatriation Tax And Was 28.4% In 2016 And 20.4% In 2015.**

**Income tax expense**

| Year ended December 31, (in millions, except rate) | 2017 | 2016 | 2015 |
|---|---|---|---|
| Income before income tax expense | $ 35,900 | $ 34,536 | $ 30,702 |
| Income tax expense | 11,459 | 9,803 | 6,260 |
| Effective tax rate | 31.9% | 28.4% | 20.4% |

[JPMorgan Chase Form 10-K, 02/27/18]

- **JPMorgan Chase's 2017 Effective Income Tax Rate Was Increased Due In Part To The TCJA's One-Time Repatriation Tax.** "The effective tax rate increased in 2017 driven by: a $1.9 billion increase to income tax expense representing the impact of the enactment of the TCJA. The increase was driven by the deemed repatriation of the Firm's unremitted non-U.S. earnings and adjustments to the value of certain tax-oriented investments, partially offset by a benefit from the revaluation of the Firm's net deferred tax liability." [JPMorgan Chase Form 10-K, 02/27/18]

## At The End Of FY 2020, JPMorgan Disclosed $4.3 Billion In Unrecognized Tax Benefits That May Not Be Subject To Audit After Congressional Republicans Hobbled IRS Enforcement.

**JPMorgan Chase's Unrecognized Tax Benefits Were $4.3 Billion At The End Of Its 2020 Fiscal Year, $3.1 Billion Of Which Would Reduce The Bank's Effective Tax Rate If Recognized.** "At December 31, 2020, 2019 and 2018, JPMorgan Chase's unrecognized tax benefits, excluding related interest expense and penalties, were $4.3 billion, $4.0 billion and $4.9 billion, respectively, of which $3.1 billion, $2.8 billion and $3.8 billion, respectively, if recognized, would reduce the annual effective tax rate." [JPMorgan Chase Form 10-K, 02/23/21]

- **JPMorgan Chase's 2020 Fiscal Year Ended December 31, 2020.** "For the fiscal year ended December 31, 2020" [JPMorgan Chase Form 10-K, 02/23/21]

**At The End Of 2020, S&P 500 Companies Disclosed $235 Billion In "'Unrecognized'" Or "'Uncertain'" Tax Benefits That Were Awaiting Approval By Tax Authorities—This Amount Was 43% Higher Than A Decade Prior.** "Companies currently in the S&P 500 index had $235 billion in tax breaks awaiting audit at the end of last year, up 43 percent from a decade earlier, data show. These tax breaks, defined by companies as "unrecognized" or "uncertain" tax benefits, include deductions that companies see as unlikely to be approved by authorities because they rely on disputable interpretations of the tax code, experts said." [Washington Post, 07/14/21]

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# FedEx—Which Has Been Lobbying On Corporate Taxes, Biden's Jobs Plan, And The TCJA In 2021—Disclosed Over $1.26 Billion From TCJA Tax Benefits And An Effective Tax Rate Of -5.0% In 2018, It Has Filed A Lawsuit Seeking An Extra $233 Million In TCJA Tax Breaks In 2021, And Disclosed $192 Million In Unrecognized Tax Benefits That May Not Be Subject To IRS Audit.

## FedEx Lobbied On The TCJA, Biden's Infrastructure Proposals, And Corporate Tax Issues In The First Half Of 2021.

**Q2 2021: FedEx Spend $2.61 Million As It Lobbied On The TCJA, The "Biden American Job Plan/American Family Plan," And Monitored "Corporate And International Tax Issues," Among Other Matters.** "Legislative and regulatory monitoring related to corporate and international tax issues, including issues relating to the Tax Cuts and Jobs Act." [Fedex Corporation LD-2 Lobbying Disclosure, 07/19/21]

**Q1 2021: FedEx Spend $2.08 Million As It Lobbied On The TCJA, The "Biden Administration Infrastructure Plan," And Monitored "Corporate And International Tax Issues," Among Other Matters.** "Legislative and regulatory monitoring related to corporate and international tax issues, including issues relating to the Tax Cuts and Jobs Act." [Fedex Corporation LD-2 Lobbying Disclosure, 04/20/21]

## FedEx Reported TCJA Tax Benefits Of $1.15 Billion In 2018 And $115 Million In 2019, Totaling Over $1.26 Billion.

**FedEx Disclosed That It Received A Tax Benefit Of $1.15 Billion In 2018 And $115 Million In 2019.** "The 2019 tax rate was also favorably impacted by the TCJA, which resulted in benefits of approximately $75 million from accelerated deductions claimed on our 2018 U.S. income tax return filed in 2019 and approximately $40 million from the lower statutory tax rate on fiscal 2019 earnings. The 2018 tax rate was favorably impacted by the TCJA, which resulted in a provisional benefit of $1.15 billion from the remeasurement of our net U.S. deferred tax liability." [FedEx Corporation Form 10-K, 07/20/20]

## FedEx's Effective Tax Rate Was -5.0% The Year TCJA Was Enacted And Just 23% In FY2020, Down From 34.6% And 33.6% In 2017 And 2016.

**FedEx's Effective Tax Rate Was -5.0% In 2018, The Year The TCJA Was Enacted, 17.6% In 2019, And 23.0% In 2020:**

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Taxes computed at federal statutory rate | $ 350 | $ 138 | $ 1,271 |
| (Decreases) increases in income tax from: | | | |
| Valuation allowance | (129) | (79) | 31 |
| Goodwill impairment charge | 75 | — | 109 |
| Benefit from U.S. tax loss carryback to prior years | (71) | — | — |
| Non-deductible expenses | 70 | 79 | 81 |
| State and local income taxes, net of federal benefit | 53 | 44 | 119 |
| U.S. deferred tax adjustments related to foreign operations | 51 | — | — |
| Foreign operations | 38 | (1) | 25 |
| Uncertain tax positions | (14) | 8 | 86 |
| Foreign tax rate enactments | (10) | 50 | 6 |
| Benefits from share-based payments | (5) | (18) | (60) |
| TCJA(1) | — | (71) | (1,354) |
| Foreign tax credits from distributions | — | (8) | (225) |
| Corporate structuring transactions(2) | — | — | (255) |
| Other, net | (25) | (27) | (53) |
| Provision for income taxes (benefit) | $ 383 | $ 115 | $ (219) |
| Effective Tax Rate | 23.0% | 17.6% | (5.0)% |

[FedEx Corporation Form 10-K, 07/20/20]

- **FedEx Disclosed That The TCJA Was Effective January 1, 2018.** "The TCJA reduced the corporate tax rate from 35% to 21%, effective January 1, 2018." [FedEx Corporation Form 10-K, 07/16/18]

**Before The TCJA's Enactment, FedEx's Effective Tax Rate Was 34.6% In 2017 And 33.6% In 2016:**

| | 2018 | 2017 | 2016 |
|---|---|---|---|
| Taxes computed at federal statutory rate | $ 1,271 | $ 1,603 | $ 959 |
| Increases (decreases) in income tax from: | | | |
| Goodwill impairment charge | 109 | — | — |
| State and local income taxes, net of federal benefit | 119 | 99 | 33 |
| Foreign operations | 43 | (19) | (50) |
| Corporate structuring transactions (1) | (255) | (68) | (76) |
| Tax Cuts and Jobs Act (2) | (1,357) | — | — |
| Foreign tax credits from distributions | (225) | — | — |
| Uncertain tax positions | 86 | — | — |
| TNT Express integration and acquisition costs | 20 | 25 | 40 |
| Other, net (3) | (30) | (58) | 14 |
| | $ (219) | $ 1,582 | $ 920 |
| Effective Tax Rate | (5.0)% | 34.6% | 33.6% |

[FedEx Corporation Form 10-K, 07/16/18]

## In 2021, FedEx Filed A Lawsuit Claiming It Was Entitled To An Additional $233 Million Tax Break Under The TCJA.

**In 2021, FedEx Filed A Lawsuit Against A Regulation On The TCJA's One-Time Tax On Repatriated Earnings, Claiming It Was Entitled To $233 Million Under The Law.** "During 2021, we filed suit in U.S. District Court for the Western District of Tennessee challenging the validity of a tax regulation related to the one-time transition tax on unrepatriated foreign earnings, which was enacted as part of the Tax Cuts and Jobs Act ("TCJA"). Our lawsuit seeks to have the court declare this regulation invalid and order the refund of overpayments of U.S. federal income taxes for 2018 and 2019 attributable to the denial of foreign tax credits under the regulation. We have recorded a cumulative benefit of $233 million through 2019 attributable to our interpretation of the TCJA and the Internal Revenue Code. We continue to pursue this lawsuit; however, if we are ultimately unsuccessful in defending our position, we may be required to reverse the benefit previously recorded." [FedEx Corporation Form 10-K, 07/20/20]

## At The End Of Its FY 2021, FedEx Disclosed $192 Million In Unrecognized Tax Benefits That May Not Be Subject To Audit After Congressional Republicans Hobbled IRS Enforcement.

**FedEx Reported $192 Million In Unrecognized Tax Benefits At The End Of Its 2021 Fiscal Year, Ended May 31, 2021, Up From $129 Million In 2020 And $164 Million In 2019.**

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in millions):

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| Balance at beginning of year | $ 129 | $ 164 | $ 161 |
| Increases for tax positions taken in the current year | 3 | 3 | — |
| Increases for tax positions taken in prior years | 69 | 4 | 31 |
| Decreases for tax positions taken in prior years | (6) | (10) | (4) |
| Settlements | (6) | (31) | (21) |
| Changes due to currency translation | 3 | (1) | (3) |
| Balance at end of year | $ 192 | $ 129 | $ 164 |

[FedEx Corporation Form 10-K, 07/19/21]

- **FedEx's 2021 Fiscal Year Ended May 31, 2021.** "For the fiscal year ended May 31, 2021." [FedEx Corporation Form 10-K, 07/19/21]

**At The End Of 2020, S&P 500 Companies Disclosed $235 Billion In "'Unrecognized'" Or "'Uncertain'" Tax Benefits That Were Awaiting Approval By Tax Authorities—This Amount Was 43% Higher Than A Decade Prior.** "Companies currently in the S&P 500 index had $235 billion in tax breaks awaiting audit at the end of last year, up 43 percent from a decade earlier, data show. These tax breaks, defined by companies as "unrecognized" or "uncertain" tax benefits, include deductions that companies see as unlikely to be approved by authorities because they rely on disputable interpretations of the tax code, experts said." [Washington Post, 07/14/21]

**Experts Have Likened Unrecognized Tax Benefits To "A Loan From The IRS" Because They May Have To Repaid—However, The "'Loan' Is Essentially Forgiven" If The IRS Does Not Reject Benefits Corporations Claim.** "Several experts compared an unrecognized tax benefit to a loan from the IRS, because the company eventually may have to pay back the savings, along with interest. When the IRS takes no action, or reviews the tax break and gives approval, the "loan" is essentially forgiven." [Washington Post, 07/14/21]

**After Congressional Republicans "Moved To Slash The IRS Budget" During The Obama Administration, The Agency Began Auditing Only Half Of All Large Corporate Tax Returns—Previously, The IRS Audited "Virtually Every Tax Return Filed By Large Corporations" And Rejected Inappropriate Tax Breaks They Tried To Claim.** "Federal audits of corporate tax returns have plunged in recent years, letting big companies claim elaborate tax breaks with less government scrutiny, according to a Washington Post analysis of company filings. Accounting rules permit businesses to claim tax breaks even if they are likely to be overturned by tax authorities, legal experts said. In the past, the Internal Revenue Service audited virtually every tax return filed by large corporations and rejected tax breaks it deemed inappropriate, data show. But during the Obama administration, congressional Republicans moved to slash the IRS budget, shrinking the agency's staff and straining its ability to conduct audits. As a result, the federal government now examines just half of all large company tax returns, despite businesses claiming increasing tax benefits over this period that they say could be overturned by authorities, according to regulatory filings, interviews with tax policy experts and data from the IRS and financial researcher Calcbench." [Washington Post, 07/14/21]

# Bristol-Myers Squibb—Which Has Lobbied On Corporate Taxes, Biden's Jobs Plan, And The TCJA In 2021—Has Seen Its Tax Liability Fall Over 8 Percentage Points Since TCJA's Enactment And Has Disclosed Over $2 Billion In Unrecognized Tax Benefits That May Not Be Subject To IRS Audit.

## Bristol-Myers Squibb Has Lobbied On The American Jobs Plan's Corporate Tax Provisions, On Corporate Tax Reform, And The Implementation Of The TCJA In The First Half Of 2021.

**Q2 2021: Bristol-Myers Squibb Paid Lobbying Firm The Nickles Group LLC To Monitor "The American Jobs Plan, As It Relates To Corporate Taxes."** "Monitored the American Jobs Plan, as it relates to corporate taxes." [The Nickles Group LLC LD-2 Lobbying Disclosure, 07/20/21]

**Q1 2021: Bristol-Myers Squibb Paid Lobbying Firm The Nickles Group LLC To Monitor "The American Jobs Plan, As It Relates To Corporate Taxes."** "Monitored the American Jobs Plan, as it relates to corporate taxes." [The Nickles Group LLC LD-2 Lobbying Disclosure, 04/20/21]

**Q1 2021: Bristol-Myers Squibb Company Spent $730,000 Lobbying On "Proposed Policies Regarding Corporate Tax Reform Regarding Bio-Pharmaceutical Related Provisions."** "Proposed policies regarding corporate tax reform regarding all bio-pharmaceutical related provisions. No bill number" [Bristol-Myers Squibb Company LD-2 Lobbying Disclosure, 04/20/21]

**Q2 2021: Bristol-Myers Squibb Company Spent $2.23 Million Lobbying On "Proposed Policies Regarding Corporate Tax Reform Regarding Bio-Pharmaceutical Related Provisions."** "Proposed policies regarding corporate tax reform regarding all bio-pharmaceutical related provisions. No bill number" [Bristol-Myers Squibb Company LD-2 Lobbying Disclosure, 07/20/21]

**Q2 2021: Bristol-Myers Squibb Paid Lobbying Firm Crossroads Strategies LLC $40,000 To Lobby On The Implementation Of The TCJA.** "Implementation of Tax Cuts and Jobs Act (P.L.115-97)." [Crossroads Strategies LLC LD-2 Disclosure Form, 07/18/21]

**Q1 2021: Bristol-Myers Squibb Paid Lobbying Firm Crossroads Strategies LLC $40,000 To Lobby On The Implementation Of The TCJA.** "Implementation of Tax Cuts and Jobs Act (P.L.115-97)." [Crossroads Strategies LLC LD-2 Disclosure Form, 04/20/21]

## Bristol-Myers Squibb, Whose Tax Liability Fell 8.2 Percentage Points Under The TCJA, Has Identified The Repeal Or Modification Of The TCJA Among The "Risks" Facing Its Business.

**Under The TCJA, Bristol-Myers Squibb's Tax Liability Fell 8.2 Percentage Points From 2016 To 2020:**

### U.S. based big pharma's tax liability

| | Taxes paid, millions | Taxes paid, millions | Taxes paid, millions | Change, millions 2016-2020 | Tax rate | Tax rate | Tax rate | Change |
|---|---|---|---|---|---|---|---|---|
| | 2016 | 2018 | 2020 | | 2016 | 2018 | 2020 | |
| | | | | [...] | | | | |
| Bristol Myers Squibb* | $1,408 | $1,021 | $2,124 | **$716** | 23.8% | 17.1% | 15.6% | **-8.2%** |

[BioPharmaDive, 05/17/21]

**Bristol-Myers Squibb Has Identified "A Repeal Or Modification Of The Tax Cuts And Jobs Act Of 2017" Among The "Risks" Facing Its Business.** "Regulatory, Intellectual Property, Litigation, Tax and Legal Compliance Risks [...] Changes to tax regulations could negatively impact our earnings. We are subject to income taxes in the U.S. and various other countries globally. In particular, although the passage of the Tax Cuts and Jobs Act of 2017 reduced the U.S. tax rate to 21%, the law is complex and further regulations and interpretations are still being issued. We could face audit challenges on how we apply the new law that could have a negative impact on our provision for income taxes. In addition, our future earnings could be negatively impacted by changes in tax legislation, including a repeal or modification of the Tax Cuts and Jobs Act of 2017, changes in tax rates and tax base such as limiting, phasing-out or eliminating deductions or tax credits, increase taxing of certain excess income from intellectual property, revising tax law interpretations in domestic or foreign jurisdictions, changes in rules for earnings repatriations and changes in other tax laws in the U.S. or other countries.” [Bristol-Myers Squibb Company Form 10-K, 02/10/21]

## At The End Of Its FY 2021, Bristol-Myers Squibb Disclosed Over $2 Billion In Unrecognized Tax Benefits—About Twice As Much In 2018 And Prior Years—That May Not Be Subject To Audit, After Congressional Republicans Hobbled IRS Enforcement.

### Bristol-Myers Squibb Disclosed $2.003 Billion In Unrecognized Tax Benefits By The End Of December 31, 2020, Up From $995 Million In 2018:

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows (excluding interest and penalties):

| | Year Ended December 31, | | |
|---|---|---|---|
| Dollars in Millions | 2020 | 2019 | 2018 |
| Balance at beginning of year | $ 1,905 | $ 995 | $ 1,155 |
| Gross additions to tax positions related to current year | 76 | 170 | 48 |
| Gross additions to tax positions related to prior years | 325 | 19 | 21 |
| Gross additions to tax positions assumed in acquisitions | 51 | 852 | — |
| Gross reductions to tax positions related to prior years | (352) | (35) | (106) |
| Settlements | (7) | (23) | 2 |
| Reductions to tax positions related to lapse of statute | (5) | (72) | (119) |
| Cumulative translation adjustment | 10 | (1) | (6) |
| Balance at end of year | $ 2,003 | $ 1,905 | $ 995 |

[Bristol-Myers Squibb Company Form 10-K, 02/10/21]

- **Bristol-Myers Squibb’s 2020 Fiscal Year Ended December 31, 2020.** “For the fiscal year ended December 31, 2020” [Bristol-Myers Squibb Company Form 10-K, 02/10/21]

### Bristol-Myers Squibb Disclosed Unrecognized Tax Benefits Levels Of $1.155 Billion In 2017 And $995 Million In 2016:

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| Dollars in Millions | 2018 | 2017 | 2016 |
| Balance at beginning of year | $ 1,155 | $ 995 | $ 944 |
| Gross additions to tax positions related to current year | 48 | 173 | 49 |
| Gross additions to tax positions related to prior years | 21 | 30 | 49 |
| Gross additions to tax positions assumed in acquisitions | — | — | 1 |
| Gross reductions to tax positions related to prior years | (106) | (22) | (22) |
| Settlements | 2 | (20) | (13) |
| Reductions to tax positions related to lapse of statute | (119) | (13) | (4) |
| Cumulative translation adjustment | (6) | 12 | (9) |
| Balance at end of year | $ 995 | $ 1,155 | $ 995 |

[Bristol-Myers Squibb Company Form 10-K, 02/25/19]

**At The End Of 2020, S&P 500 Companies Disclosed $235 Billion In “‘Unrecognized’” Or “‘Uncertain’” Tax Benefits That Were Awaiting Approval By Tax Authorities—This Amount Was 43% Higher Than A Decade Prior.** “Companies currently in the S&P 500 index had $235 billion in tax breaks awaiting audit at the end of last year, up 43 percent from a decade earlier, data show. These tax breaks, defined by companies as “unrecognized” or “uncertain” tax benefits, include deductions that companies see as unlikely to be approved by authorities because they rely on disputable interpretations of the tax code, experts said.” [Washington Post, 07/14/21]

**Experts Have Likened Unrecognized Tax Benefits To “A Loan From The IRS” Because They May Have To Repaid—However, The “‘Loan’ Is Essentially Forgiven” If The IRS Does Not Reject Benefits Corporations Claim.** “Several experts compared an unrecognized tax benefit to a loan from the IRS, because the company eventually may have to pay back the savings, along with interest. When the IRS takes no action, or reviews the tax break and gives approval, the “loan” is essentially forgiven.” [Washington Post, 07/14/21]

**After Congressional Republicans "Moved To Slash The IRS Budget" During The Obama Administration, The Agency Began Auditing Only Half Of All Large Corporate Tax Returns—Previously, The IRS Audited "Virtually Every Tax Return Filed By Large Corporations" And Rejected Inappropriate Tax Breaks They Tried To Claim.** "Federal audits of corporate tax returns have plunged in recent years, letting big companies claim elaborate tax breaks with less government scrutiny, according to a Washington Post analysis of company filings. Accounting rules permit businesses to claim tax breaks even if they are likely to be overturned by tax authorities, legal experts said. In the past, the Internal Revenue Service audited virtually every tax return filed by large corporations and rejected tax breaks it deemed inappropriate, data show. But during the Obama administration, congressional Republicans moved to slash the IRS budget, shrinking the agency's staff and straining its ability to conduct audits. As a result, the federal government now examines just half of all large company tax returns, despite businesses claiming increasing tax benefits over this period that they say could be overturned by authorities, according to regulatory filings, interviews with tax policy experts and data from the IRS and financial researcher Calcbench." [Washington Post, 07/14/21]

# Oracle Corporation—Which Has Lobbied On Corporate Taxes And The TCJA In 2021—Disclosed An Effective Tax Rate Of Just 15.9% In 2021, It Has Shown Concern About "Unfavorable Changes In Tax Laws And Regulations," And Disclosed Over $6.9 Billion In Unrecognized Tax Benefits In FY 2021.

## Oracle Corporation Has Lobbied On Corporate Tax Issues And The Implementation Of The TCJA In The First Half Of 2021.

**Q2 2021: Oracle Corporation Spent $2.44 Million Lobbying On "Corporate And International Tax Matters," Among Other Issues.** "General issues related to corporate and international tax matters." [Oracle Corporation LD-2 Lobbying Disclosure, 07/20/21]

**Q1 2021: Oracle Corporation Spent $1.68 Million Lobbying On "Corporate And International Tax Matters," Among Other Issues.** "General issues related to corporate and international tax matters." [Oracle Corporation LD-2 Lobbying Disclosure, 07/20/21]

**Q2 2021: Oracle Paid Lobbying Form Forbes-Tate $80,000 To Lobby On The Implementation Of The TCJA.** "Issues related to the implementation of tax reform (Public Law No: 115-97)." [Forbes-Tate LD-2 Lobbying Disclosure Form, 07/17/21]

- **The TCJA Is Also Known As Public Law 115-97.** "The 2017 tax revision (P.L. 115-97, popularly known as the Tax Cuts and Jobs Act) changed many of these fundamental provisions, although those changes are scheduled to expire after 2025." [Congressional Research Service, 01/24/20]

**Q1 2021: 2021: Oracle Paid Lobbying Form Forbes-Tate $80,000 To Lobby On The Implementation Of The TCJA.** "Issues related to the implementation of tax reform (Public Law No: 115-97)." [Forbes-Tate LD-2 Lobbying Disclosure Form, 04/17/21]

## Oracle Corporation—Which Has Disclosed A Concern About "Unfavorable Changes In Tax Laws And Regulations"—Reported An Effective Tax Rate Of 15.9% In Fiscal Year 2021 And 18.4% In 2020.

**Oracle Corporation Disclosed An Effective Tax Rate Of 15.9% In Fiscal Year 2021 And An Effective Rate Of 18.4% In Fiscal Year 2020.** "For fiscal 2021, the applicable jurisdictional tax rates applied to our income before provision for income taxes after excluding the tax effects of items within the table above such as for stock-based compensation, amortization of intangible assets, restructuring, and certain other acquisition related items, and after excluding a $2.3 billion tax benefit arising from the increase of a deferred tax asset associated with a partial realignment of our legal entity structure and any related deferred tax expense (refer to Notes 1 and 14 in our consolidated financial statements included elsewhere in this Annual report for additional information), resulted in an effective tax rate of 15.9%, instead of (5.7%), which represented our effective tax rate as derived per our consolidated statement of operations. For fiscal 2020, the applicable jurisdictional tax rates applied to our income before provision for income taxes after adjusting for the effects of items within the table above, such as for stock-based compensation, amortization of intangible assets, restructuring, and certain other acquisition related items, resulted in an effective tax rate of 18.4%, instead of 16.0%, which represented our effective tax rate as derived per our consolidated statement of operations." [Oracle Corporation Form 10-K, 06/21/21]

**Oracle Has Disclosed That "Future Effective Income Tax Rates Could Be Adversely Affected" By "Unfavorable Changes In Tax Laws And Regulations" And Other Items.** "Future effective income tax rates could be adversely affected by an unfavorable shift of earnings weighted to jurisdictions with higher tax rates, by unfavorable changes in tax laws and regulations, by adverse rulings in tax related litigation, or by shortfalls in stock-based compensation realized by employees relative to stock-based compensation that was recorded for book purposes, among others." [Oracle Corporation Form 10-K, 06/21/21]

## Oracle Disclosed $6.912 Billion In Unrecognized Tax Benefits In Fiscal Year 2021 That May Not Be Subject To Audit, After Congressional Republicans Hobbled IRS Enforcement.

**Oracle Disclosed $6.912 Billion In Unrecognized Tax Benefits In Fiscal Year 2021, Ended May 31, 2021:**

We classify our unrecognized tax benefits as either current or non-current income taxes payable in the accompanying consolidated balance sheets. The aggregate changes in the balance of our gross unrecognized tax benefits, including acquisitions, were as follows:

| | Year Ended May 31, | | |
|---|---|---|---|
| (in millions) | 2021 | 2020 | 2019 |
| Gross unrecognized tax benefits as of June 1 | $ 6,972 | $ 6,348 | $ 5,592 |
| Increases related to tax positions from prior fiscal years | 225 | 624 | 772 |
| Decreases related to tax positions from prior fiscal years | (836) | (298) | (135) |
| Increases related to tax positions taken during current fiscal year | 531 | 628 | 540 |
| Settlements with tax authorities | (51) | (177) | (153) |
| Lapses of statutes of limitation | (66) | (116) | (202) |
| Cumulative translation adjustments and other, net | 137 | (37) | (66) |
| Total gross unrecognized tax benefits as of May 31 | $ 6,912 | $ 6,972 | $ 6,348 |

[Oracle Corporation Form 10-K, 06/21/21]

- **Oracle's 2021 Fiscal Year Ended On May 31, 2021.** "For the fiscal year ended May 31, 2021" [Oracle Corporation Form 10-K, 06/21/21]

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