

# افغانستان آزاد – آزاد افغانستان

AA-AA

چو کشور نیاشد تن من مباد      بدین بوم ویر زنده یک تن مباد  
همه سر به سر تن به کشتن دهیم      از آن به که کشور به دشمن دهیم

[www.afgazad.com](http://www.afgazad.com)

[afgazad@gmail.com](mailto:afgazad@gmail.com)

European Languages

زبان های اروپایی

Revolutionary Organization of Labor, USA

## The Tax Man Cometh for you and me, but Not for GE!

*Let's Make the Rich Pay!*

May-June 2011-05-20

They caused the economic crisis through speculation and greed. Almost 10 million jobs lost. Millions of homes foreclosed. Retirement plans plundered. Austerity measures implemented at the Federal, State and Local levels gutting social programs from education to environmental protection. Now Medicare, Medicaid and Social Security are squarely in the sites of the privatizers and “deficit-cutters” of the Republicrats, i.e. *both* the major political parties of U.S. monopoly capitalism and imperialism. Behind the smoke screen of the economic crisis and the need for “shared sacrifice,” workers and their unions are under accelerated attacks (particularly in the public sector) as politicians, and their rich benefactors like the billionaire Koch brothers, are pitting “taxpayers” against “workers,” whether teachers, firefighters, healthcare, transit or sanitation workers.

When film director and producer Charles Ferguson won the Academy Award for the best documentary, “The Inside Job,” he had enough gumption to state to the TV audience of millions, “... I must start by pointing out that three years after our horrific financial crisis caused by massive fraud, not a single financial executive has gone to jail, and that’s wrong.” In fact, just the opposite is the case. Wall Street investment firms and banks have received massive government bailouts at taxpayer expense along with enrichment at the public trough through trillions of federal government no interest loans. Corporate America has gained and maintained extensive tax loopholes and tax breaks for the rich. During the “jobless recovery” while workers’ wages remain stagnant, productivity has increased, corporate profits set all-time records and CEO salaries and Wall Street bonuses have skyrocketed. The 25 largest Wall Street firms paid a

record \$135 billion in executive compensation in 2010. And just one hedge fund speculator, John Paulson, gained \$5 billion in profit last year alone! The gap between the rich and poor in the USA is expanding. Astoundingly, the top 1% of households has about 43% of the financial wealth (net worth not including one's home) while the bottom 80% has a mere 7%! (2007 figures)

Why aren't the rich paying for their crisis?!? Recent exposure of the largest U.S. corporation – General Electric – helps provide the answer.

While the working class and working poor struggle day in and day out in this “jobless recovery,” GE had a very good year in 2010 with world-wide profits of \$14.2 billion dollars. \$5.1 billion of that total profit came directly from U.S. operations. After all the complaining from big business and their politicians that the U.S. corporate tax rate is just too darn high (35%), one would expect GE to have paid about \$5 billion dollars into the U.S. treasury, money that could have been used for education, medical care, workplace safety and a cleaner environment.

GE's tax bill for 2010? – **ZERO!** In fact, GE received a tax credit of \$3.2 billion which makes it highly unlikely that they will pay any taxes in the foreseeable future. So, how do they do it when the workers and other regular folk pay taxes with every paycheck?

According to a *New York Times* article, GE's tax department of 975 employees is headed up by a former U.S. Treasury official. “The team includes former officials not just from the Treasury, but also from the I.R.S. and virtually all the tax writing committees in Congress. ... Over the last decade, GE has spent tens of millions of dollars to push for changes in tax law, from more generous depreciation schedules on jet engines to ‘green energy’ credits for its wind turbines. But the most lucrative of these measures allows GE to operate a vast leasing and lending business abroad with profits that face little foreign taxes and no American taxes as long as the money remains overseas.” (GE Turns the Tax Man Away Empty-Handed, *New York Times*, March 25, 2011)

This is not a phenomenon unique to GE nor is it a new development. The same *Times* article points out, “Such strategies ... have pushed down the corporate share of the nation's tax receipts – from 30 percent of all federal revenue in the mid-1950's to 6.6 percent in 2009.” After conspiring with the Congressional Republicans to extend huge tax breaks for the wealthy last December, Democratic President Obama has now declared his “plan” to lower the corporate tax rate and close some “loopholes.” Obama has established the “President's Council on Jobs and Competitiveness” which is expected to address the question of “reforming” corporate taxes.

Obama has recently appointed Jeffrey Immelt as Chairman of this Council and as the President's liaison to the business community. Just who is Jeffrey Immelt? None other than the \$15 million dollar a year CEO of the gigantic tax evader General Electric! Talk about the fox guarding the hen house.

***“Make the Rich Pay” is on the order of the day!***