When Corporations Avoid Paying Taxes...

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount Lost (billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$4.6</td>
</tr>
<tr>
<td>2009</td>
<td>$4.5</td>
</tr>
<tr>
<td>2010</td>
<td>$4.7</td>
</tr>
<tr>
<td>2011</td>
<td>$5.7</td>
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<tr>
<td>2012</td>
<td>$5.4</td>
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State Corporate Income Taxes as a Percentage of State General Revenue

<table>
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<tr>
<th>Year</th>
<th>Percentage</th>
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<tr>
<td>2008</td>
<td>3.3%</td>
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<tr>
<td>2009</td>
<td>2.8%</td>
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<tr>
<td>2010</td>
<td>2.4%</td>
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<tr>
<td>2011</td>
<td>2.5%</td>
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<tr>
<td>2012</td>
<td>2.6%</td>
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90 companies paid in state income tax in at least one year from 2008-12, despite $0 in pre-tax U.S. profits in those no-tax years. $169 billion in pre-tax U.S. profits in those no-tax years.

Who really pays?

- Fewer teachers
- Larger class sizes
- Fewer support staff
- Higher tuition
- Fewer services
- Higher fees
- Either individuals and small businesses pay more in taxes; or students attend schools with fewer resources.

Source: NEA calculations based on data from the Annual Survey of State Government Finances, U.S. Census Bureau; and, 90 Reasons We Need State Corporate Tax Reform: State Corporate Tax Avoidance in the Fortune 500, 2008 to 2012 (March 2014), Citizens for Tax Justice and the Institute on Taxation and Economic Policy. NEA’s estimates assume that the additional state revenue that would have been generated in the absence of the corporate tax avoidance would have been expended in the same manner as actually occurred in each state over all five years (2008-12). For more information, contact Tom Zembar at 202.822.7109 or TZembar@nea.org. | April 23, 2014
### The Cost of Corporate Tax Avoidance

**Lost State Dollars for Education**

<table>
<thead>
<tr>
<th>State</th>
<th>2008 (in millions)</th>
<th>2009 (in millions)</th>
<th>2010 (in millions)</th>
<th>2011 (in millions)</th>
<th>2012 (in millions)</th>
<th>2008-12 Total (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>$67.9</td>
<td>$75.7</td>
<td>$69.7</td>
<td>$55.9</td>
<td>$67.9</td>
<td>$337.0</td>
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<td>$5,711.8</td>
<td>$5,397.3</td>
<td>$24,977.5</td>
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</tbody>
</table>

NEA’s estimates assume that the additional state revenue—$73.1 billion in total taxes avoided for 269 companies that were profitable between 2008 and 2012—that would have been generated in the absence of corporate tax avoidance would have been expended in the same manner as actually occurred in each state over all five years, resulting in an additional $25 billion for public education (preK-12 and higher education).

Source: NEA calculations based on data from the Annual Survey of State Government Finances, U.S. Census Bureau; and, 90 Reasons We Need State Corporate Tax Reform: State Corporate Tax Avoidance in the Fortune 500, 2008 to 2012 (March 2014), Citizens for Tax Justice (CTJ) and Institute on Taxation and Economic Policy (ITEP). According to the CTJ and ITEP report, companies do not provide information on their state corporate income taxes on a state-by-state basis. Instead, the report reflects how much the companies have paid to all states in which they do business. As a result, NEA apportioned the additional revenue that would have been generated in the absence of corporate tax avoidance according to each state’s corporate income tax receipts each year.

For more information, contact Tom Zembar at 202.822.7109 or TZembar@nea.org.  
April 23, 2014

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* No corporate income tax