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FIGHTING TO KEEP AT-THE-DOOR MAIL DELIVERY: Congress will vote in the lame-duck session on a bill that would convert at-the-door mail delivery for business and residential customers to centralized cluster boxes. Thousands of family-wage union letter carrier jobs are at stake. More than 75 people joined Letter Carriers Branch 82 at an informational picket line Sept. 29 in front of the Main Post Office in Northwest Portland to warn customers about the transformation. They are opposed to Section 202 of House Resolution 5714, a bipartisan postal reform bill that includes many of the consensus reform provisions backed by postal unions, businesses, and USPS. It is that section of the bill that ends door mail delivery. "This isn't just a postal problem, which is why a lot of different groups are here. This is a people problem," said Jim Falvey, president of Branch 82. "If this bill goes through, a segment of our society who are least able to absorb that service cut, will have to absorb that service cut."

ECONOMIC SNAPSHOT

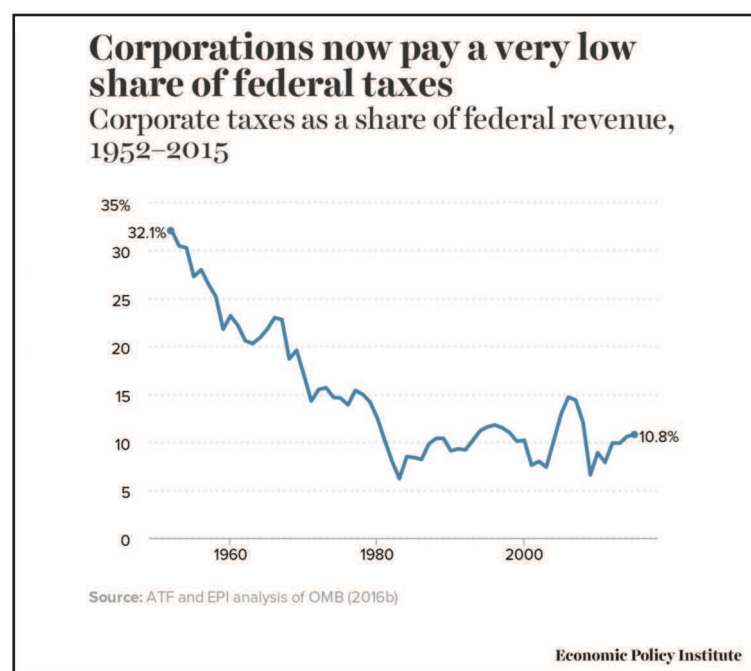
Corporate profits are way up, corporate taxes are way down

A new study by the Economic Policy Institute and Americans for Tax Fairness finds that in recent years, corporate profits have reached record highs — and so too has the amount of untaxed profits U.S. corporations have stashed offshore: *\$2.4 trillion*. It is estimated corporations could owe as much as \$700 billion on those profits. In short, corporations are dodging more and more of their tax responsibilities.

These are some of the findings in "Corporate Tax Chartbook: How Corporations Rig the Rules to Dodge the Taxes They Owe," released Sept. 19 by researchers Frank Clemente, Hunter Blair, and Nick Trokel.

Among the key findings:

- Corporate profits are way up, and corporate taxes are way down. In 1952, corporate profits were 5.5 percent of the economy, and corporate taxes were 5.9 percent of GDP. Today, corporate profits are 8.5 per-



cent of the economy, and corporate taxes are just 1.9 percent of GDP.

- Corporations used to contribute \$1 out of every \$3 in federal revenue. Today, despite very high corporate profitability, it is \$1 out of every \$9.

- As of 2015, U.S. corporations had \$2.4 trillion in untaxed profits offshore. Another study, looking at S&P 500 companies, found they held \$2.1 trillion as of 2014. This roughly five-fold increase from \$434 billion in 2005 stems largely from anticipation of a tax



The organizing committee met at Oregon AFSCME to discuss strategy.

Addiction treatment workers unionize

Workers at a pair of Medicaid-funded in-patient residential alcohol and drug treatment facilities in Portland voted 46 to 3 to unionize with Oregon AFSCME in ballots counted Sept. 28. The unit of 61 workers is employed by the Oregon chapter of non-profit Volunteers of America (VOA). For their work helping addicts recover in a six-month program of court-ordered treatment, they're paid as little as \$10 to \$12 an hour.

So when VOA management brought in the Lane Powell law firm at hundreds of dollars an hour, the firm's cookie-cutter anti-union campaign fell flat: After multiple anti-union meetings held by management, just three workers voted against the union.

AFSCME represents Volunteers of America employees in New York and New Jersey, as well as non-profit workers in Portland who do similar work.

holiday.

- Just 50 companies hold over 75 percent of untaxed offshore profits. Ten companies hold 39 percent of these profits. Just four companies — Apple, Pfizer, Microsoft, and General Electric — hold one-quarter of all untaxed offshore profits.
- The U.S. Treasury will lose \$1.3 trillion over 10 years — about \$126 billion a year — due to the deferral of taxes on offshore profits.

According to the study, the use of offshore profit-shifting hinges on a single corporate tax loophole: *deferral*. Multinational companies are allowed to defer paying taxes on profits from an offshore subsidiary until they pay them back to the U.S. parent as a dividend. Proponents of cutting the corporate tax rate refer to profits held offshore as "trapped." This characterization is patently false, the study says. Nothing prevents corporations from returning

these profits to the United States except a desire to pay lower taxes. In fact, corporations overall return about two-thirds of the profits they make offshore, and pay the taxes they owe on them.

Further, there are numerous U.S. investments that these companies can undertake without triggering the tax. In short, deferral provides a mammoth incentive for multinational corporations to disguise their U.S. profits as profits earned in tax havens. And they have responded to this incentive: 82 percent of the U.S. tax revenue loss from income shifting is due to profit shifting to just seven tax-haven countries.

The intentional erosion of the U.S. corporate income tax base has real consequences. Rich multinational corporations avoiding their fair share of U.S. taxes means that domestic firms and American workers have to foot the bill.