

Opinion: McClintock is wrong about corporate taxes

By Patrick Stelmach

Tax dodging is unfair and unpatriotic. The United States of America is home to the most successful corporations in the world, because we are the land of opportunity and equality. However, these values and freedoms are being eroded by tax dodgers.

A small group of corporations exploit loopholes in our tax code by shipping profits to offshore bank accounts to avoid paying taxes, cheating the American people out of \$150 billion a year. When anyone dodges taxes, it adds to the deficit and the burden imposed on hard-working, tax-paying Americans through cuts to education and other programs.



Volunteers with California Fair Share collect signatures. Photo/Provided

We can begin to balance our budget and build a stronger economy by closing tax loopholes and ensuring everyone pays their fair share.

Rep. Tom McClintock, R-Granite Bay, would rather keep giving tax breaks to corporations and the wealthy than properly fund

our schools and support the middle class. During a town hall meeting Wednesday evening, I asked Rep. McClintock if he would close the corporate tax loopholes and put that money towards education and paying down the debt. Rep. McClintock said he would only end the loopholes if that money were given right back to those corporations through lowering tax rates.

All corporations should pay their taxes like the rest of us. If we close corporate tax loopholes and lower corporate tax rates by the same amount, as Rep. McClintock proposes, we are still letting corporations get away without paying their fair share in taxes.

While the top corporate tax rate is 35 percent, most corporations pay much less in taxes due to loopholes, deductions and subsidies. Total corporate federal taxes fell to 12.1 percent of profits earned from activities within the U.S. in 2011 – a 40-year low, according to the Congressional Budget Office.

Some corporations, like General Electric, paid no taxes to the federal government for several years, because the company aggressively exploits loopholes and ships much of their profits to foreign bank accounts in countries like the Cayman Islands.

Across-the-board cuts, called the sequester, are set for March 1, a prospect that is scaring economists and local leaders alike. The sequester, it is estimated, will have numerous impacts, including a loss of one million jobs and small business loans reduced by \$540 million.

With Congress trying to reach a compromise between Republicans and Democrats, Rep. McClintock should do everything within his power to ensure the final budget deal closes outrageous corporate tax loopholes to help reduce the deficit and pay for national priorities.

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Share, a statewide, grassroots field and advocacy group, working to provide every Californian with a fair shot, make sure everyone pays their fair share, and that everybody plays by the same set of rules.