



**Prepared Testimony for Shadow Hearing: “Visions of an Affordable Life: Taxing Corporate Greed”
Congressional Progressive Caucus, Ending Corporate Greed Task Force**

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Members of the Task Force:

Thank you for inviting me to testify today. I am here on behalf of the Financial Accountability and Corporate Transparency (FACT) Coalition. We’re a broad, nonpartisan alliance of more than 100 labor, small business, and anti-corruption organizations working toward a fair tax system that addresses the challenges of a global economy and promoting policies to combat the harmful impacts of corrupt financial practices.¹

Our diverse coalition members stand united behind the goal of stopping offshore corporate tax avoidance because it harms American workers, small businesses, and families.

The Problem: Big Corporations Are Stashing Huge Profits in Tax Havens At the Expense of American Revenues and Jobs

Just last week, many honest Americans were working hard to meet their tax obligations and file their tax returns. Meanwhile, large American corporations avoid paying U.S. taxes by shifting their profits to tax havens. There can be no doubt about this fact, because corporations themselves are forced to admit it, thanks to new disclosure requirements that are the result of more than a decade of advocacy by the FACT Coalition, members of Congress, and investors.² Starting this year, publicly traded companies are required by the Financial Accounting Standards Board to break down the effects of specific domestic tax policies and foreign jurisdictions that substantially reduced (or raised) their total tax expense for the past year.

We analyzed this treasure trove of fresh tax data and found that 40 major American corporations reduced their tax bills by more than \$11 billion through tax havens in 2025.³ These findings confirm that the U.S. tax code fails to stop big corporations from moving their profits offshore, at enormous cost to our federal revenues and domestic jobs. **This is not America-first. It’s corporations-first, Americans-last.**

¹ <https://thefactcoalition.org/about-us>.

² <https://thefactcoalition.org/country-by-country-reporting-letter>.

³ This figure is an understatement because it doesn’t include major companies that have yet to report. See appendix for details.

We found that pharmaceutical and biotech firms are particularly fond of tax havens, with just ten pharma companies generating more tax haven savings than the other 30 combined (see Appendix). Take Merck, for example: Merck makes the life-saving cancer treatment Keytruda, the world’s best-selling drug, which costs more than \$150,000 per treatment.⁴ Despite making more than half of its sales at outrageous prices to American customers, Merck paid more taxes to Switzerland than it did to the U.S.; Eli Lilly paid twice as much tax to Ireland as to the U.S.⁵ These disclosures are putting numbers to a story that deserves more attention: for decades, major American pharma companies have been moving their profits, and in some cases their factories, overseas. Their customers are mostly American, their intellectual property is developed here with the support of American tax dollars, but somehow, their profits are Irish, Swiss, Dutch. The U.S. tax code doesn’t just allow this sort of offshoring. Worse: it rewards it.

The Senate Finance Committee, under the leadership of Senator Ron Wyden, has investigated the questionable international tax practices of American pharmaceutical companies, including Pfizer.⁶ These companies often use a loophole called “roundtripping” to route profits from sales to U.S. customers through foreign tax havens, at an estimated cost to U.S. revenues of \$70 billion over the 10-year budget window.⁷ This \$70 billion would go a long way to covering free community college or expanding SNAP benefits, for example.

The problem isn’t limited to the pharma sector. Right now, Americans are paying some of the highest prices at the gas pump in recent memory, due to global supply disruptions that resulted from President Trump’s war with Iran. So far, American consumers have paid an extra \$20 billion for gas and diesel, to say nothing of knock-on inflation driven by higher oil prices.⁸ These astronomical prices are very painful for American households, but they’re a boon for oil and gas companies. Financial analysts predict that American oil companies will receive a windfall of more than \$60 billion this year.⁹ And much of that windfall profit will be barely taxed at home, thanks to generous tax subsidies. From our review of the new tax disclosures, we found that U.S. oil and gas majors pay significantly less in domestic taxes than they do abroad. ExxonMobil paid five times more tax to the United Arab Emirates than to the U.S. federal government, where its effective tax rate was below 3%. How American are companies like Exxon or Chevron? Just 2% of Chevron’s total global tax dollars went to the U.S. federal government. Overall, the three American supermajors (Exxon, Chevron, and Conoco) expect to pay an average of just 6% in federal tax on their domestic income from 2025, far below the official corporate 21% rate. (See appendix for details.)

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<https://www.usatoday.com/story/money/2026/04/14/merck-keytruda-pricing-patents-dosage-drug-cost-cancer/89507794007>.

⁵ <https://www.ft.com/content/96178c81-7e76-4684-9ed5-33bf7a290dd1>.

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<https://www.finance.senate.gov/ranking-members-news/wyden-unveils-findings-of-pfizer-tax-dodging-investigation>.

⁷ <https://www.arnoldventures.org/stories/to-bring-manufacturing-back-to-america-close-the-round-tripping-loophole>.

⁸ <https://iranwarcost.watson.brown.edu>.

⁹ <https://www.ft.com/content/37d49e35-8d0e-4ea6-9db8-74183101f204>.

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Big Oil’s low federal tax payments are driven by billions in longstanding and growing industry-specific subsidies, nearly three times larger than what the renewable energy industry has received, according to the Center for American Progress.¹⁰ The largest of Big Oil’s tax breaks is for drilling abroad, as documented in our report, “America-Last and Planet-Last.”¹¹ These tax subsidies cost billions in U.S. public revenues, exacerbate the climate crisis, and do nothing to support domestic jobs or lower prices at the pump. And now, lavish corporate tax breaks passed into law last summer are reducing the oil industry’s already low tax payments even more. Specifically, oil drillers can now reduce or even eliminate their liability under the corporate alternative minimum tax (CAMT) by deducting certain drilling expenses.¹²

The Solution: Congress Can Raise Substantial Revenue by Closing Unpopular Offshore Corporate Tax Breaks

The good news is, we have solutions that are **common-sense and popular**.

First, a comprehensive international tax reform package called the No Tax Breaks for Outsourcing Act (H.R. 995) is led by Rep. Lloyd Doggett, with the support of 134 House members and 90 labor and other groups.¹³ This bill would raise hundreds of billions in new revenue by completely removing incentives for U.S. multinationals to offshore jobs and profits. Key reforms in the bill include:

- raising the offshore corporate income tax rate (currently only 12.6%) to be equal to the domestic rate (currently 21%);
- making sure that multinational companies pay the minimum rate on profits in each country in which they operate, rather than on an aggregated global basis; and
- repealing a wasteful export subsidy that has showered tens of billions of dollars in tax breaks on a handful of already hyper-profitable companies, particularly in the technology sector.

Similar reforms have been estimated by Penn-Wharton Budget Model to raise around \$1 trillion in revenue over the 10-year budget window, roughly enough to pay for reversing last year’s devastating cuts to Medicaid and food assistance programs.¹⁴ Offshore corporate reforms like these are overwhelmingly popular with small businesses (according to a recent poll by Small Business for America’s Future) as well as the general public, including Republican voters.¹⁵ These reforms will bring the U.S. closer in line with

¹⁰ <https://www.americanprogress.org/article/5-hidden-ways-the-government-rigs-the-market-in-favor-of-fossil-fuels>.

¹¹ <https://thefactcoalition.org/report/oil-and-gas-tax-subsidies>.

¹² <https://www.washingtonpost.com/business/2025/06/18/climate-solar-oil-tax-senate-trump>.

¹³

<https://thefactcoalition.org/90-ngos-call-on-congress-to-end-the-corporate-tax-preference-for-shifting-jobs-profits-of-fshore>.

¹⁴ <https://budgetmodel.wharton.upenn.edu/p/2024-10-15-gilti-and-fdii-update>.

¹⁵

<https://www.smallbusinessforamericasfuture.org/copy-of-the-tax-cuts-and-jobs-act--implications-for-small-businesses> and

<https://mclaughlinonline.com/pols/wp-content/uploads/2025/01/National-January-Presentation-RELEASE-01-28-25.pdf#page=36>.

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the 15% global corporate minimum tax that has been implemented by more than 60 countries, known as “Pillar 2.”¹⁶

Second, to ensure that oil windfall profits don’t go untaxed, Congress can adopt the proposed Big Oil Windfall Profits Tax Act (S. 4111), supported by environmental groups including Sierra Club and the League of Conservation Voters.¹⁷ Leading international tax experts are urging governments to immediately impose such sector-specific windfall profits taxes as economically sound and morally necessary.¹⁸ Similar “solidarity contributions” were implemented in several European countries in the wake of Russia’s invasion of Ukraine, and are currently being considered by the European Union.¹⁹ In the longer term, a more comprehensive solution is to repeal all corporate tax subsidies for the fossil fuels industry, as the proposed End Polluter Welfare Act (H.R. 4714) and End Oil and Gas Tax Subsidies Act (H.R. 383) would do. Polling shows that tax subsidies for foreign drilling are especially unpopular among voters of both parties, and Americans overwhelmingly agree that “the US tax code should support US energy security, rather than subsidizing the development of foreign oil and gas projects.”²⁰

Conclusion

I want to thank the Members and staff of the task force for holding this important hearing today, and I welcome your questions.

¹⁶ The Trump administration has pressured the OECD to agree to exempt U.S. companies from key aspects of the Pillar 2 global minimum tax regime. <https://thefactcoalition.org/oecd-side-by-side-agreement>.

¹⁷

<https://www.epw.senate.gov/public/index.cfm/2026/3/as-trump-s-war-surges-gas-prices-whitehouse-and-khanna-reinroduce-big-oil-profits-clawback-to-provide-relief-at-the-pump>. In addition to this legislation, a broader windfall profits tax proposal was introduced by Sen. Sanders and Rep. Bowman in the previous Congress.

<https://www.sanders.senate.gov/press-releases/news-sanders-bowman-markey-introduce-legislation-to-combat-corporate-greed-and-windfall-profits>.

¹⁸ <https://www.icrict.com/wp-content/uploads/2026/04/Taxing-Companies-Profiting-USA-IRAN-WAR-1.pdf>.

¹⁹

<https://www.euronews.com/my-europe/2026/04/10/eu-considering-excessive-profit-taxes-on-oil-and-gas-companies-foreign-profits-remain-uncl>.

²⁰

<https://mclaughlinonline.com/pols/wp-content/uploads/2025/01/National-January-Presentation-RELEASE-01-28-25.pdf#page=36>. See also, Data for Progress polling,

<https://www.dataforprogress.org/blog/8/6/voters-support-ending-fossil-fuel-subsidies>.

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Appendix:

FACT Coalition: Take the Money and Run – Amidst Oil Price Windfalls, U.S. Oil Majors Continue to Pay Less Tax at Home than Abroad

<https://thefactcoalition.org/oil-and-gas-disclosures-low-federal-taxes/>

FACT Coalition: Big U.S. Corporations Reaped Billions through Tax Havens in 2025, New Transparency Requirements Reveal

<https://thefactcoalition.org/major-american-corporations-saved-billions-through-tax-havens/>

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