CORPORATE TAX AVOIDANCE IN THE FIRST YEAR OF THE TRUMP TAX LAW

INSTITUTE ON TAXATION AND ECONOMIC POLICY

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About the Institute on Taxation and Economic Policy

ITEP is a non-profit, non-partisan tax policy organization. We conduct rigorous analyses of tax and economic proposals and provide data-driven recommendations on how to shape equitable and sustainable tax systems. ITEP's expertise and data uniquely enhance federal, state, and local policy debates by revealing how taxes affect both public revenues and people of various levels of income and wealth.

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EXECUTIVE SUMMARY

This study provides a comprehensive overview of profitable corporations' effective tax rates in 2018, the first year that companies were subject to the Tax Cuts and Jobs Act (TCJA), the tax law signed by President Donald Trump at the end of 2017. The law lowered the statutory federal corporate income tax rate to 21 percent (a 40 percent decrease from the previous 35 percent rate) and made other changes affecting what companies pay.

ITEP's examination of Fortune 500 companies' financial filings identifies 379 companies that were profitable in 2018 and that provided enough information to calculate effective federal income tax rates, which is the share of 2018 pretax profits they paid in federal income taxes in that year. This report only includes companies that were profitable in 2018 and would thus be expected to owe income tax for that year. (The corporate income tax is a tax on profits.)

For most of these companies, their effective federal income tax rate was much lower than the statutory corporate tax rate of 21 percent. This is by design.

When drafting the tax law, lawmakers could have eliminated special breaks and loopholes in the corporate tax to offset the cost of reducing the statutory rate. Instead, the new law introduced many new breaks and loopholes, though it eliminated some old ones. The unsurprising result: Profitable American corporations in 2018 collectively paid an average effective federal income tax rate of 11.3 percent on their 2018 income, barely more than half the 21 percent statutory tax rate.

Key Findings:

- **The 379 profitable corporations identified in this study paid an effective federal income tax rate of 11.3 percent on their 2018 income**, slightly more than half the statutory 21 percent tax rate.
- **91 corporations did not pay federal income taxes on their 2018 U.S. income**. These corporations include Amazon, Chevron, Halliburton and IBM. An ITEP study released in April 2019 examined 2018 Fortune 500 filings released to date and found 60 companies paid zero in federal income taxes. Now, all companies have released their 2018 financial filings, and this report reflects that.
- **Another 56 companies paid effective tax rates between 0 percent and 5 percent on their 2018 income**. Their average effective tax rate was 2.2 percent.

Other Findings:

- Fully half of the companies in our sample (195 out of 379) paid effective tax rates that were less than half the new statutory rate.
- The sectors with the lowest effective corporate tax rates in 2018 were industrial machinery (-0.6%), utilities, gas and electric (-0.5 percent), motor vehicles & parts (1.5%), oil, gas & pipelines (3.6%), chemicals (4.4%), transportation (8.0%), engineering and construction (8.0%), miscellaneous services (8.3%), publishing and printing (9.8%), and financial (10.2%). Each of these industries paid, as a group, less than half the statutory 21 percent tax rate on their 2018 U.S. income.
- The tax breaks identified in this report are highly concentrated among a few very large corporations. Just 25 companies claimed $37.1 billion in tax breaks in 2018. That's almost exactly half the $73.9 billion in tax subsidies claimed by all 379 companies in our study.
- Just five companies—Bank of America, J.P. Morgan Chase, Wells Fargo, Amazon, and Verizon—collectively enjoyed more than $16 billion in tax breaks in 2018.
- The 11.3 percent average effective tax rate paid by profitable corporations is the lowest average effective rate identified by ITEP since it began publishing these studies in 1984.

Recommendations for Reform:

- Repeal the full expensing of capital investments that was enacted as part of the Tax Cuts and Jobs Act and pare back permanent provisions that allow accelerated depreciation.
- Limit the ability of tech and other companies to use executive stock options to reduce their taxes by generating "costs" that far exceed what companies actually incur.
- Repeal the new "territorial" tax system and instead move toward a worldwide tax regime that would remove the tax incentive to shift profits and jobs overseas.
- Reinstate a strong corporate Alternative Minimum Tax to act as a backstop to ensure all profitable corporations pay a meaningful corporate income tax bill each year.
- Increase transparency by requiring country-by-country public disclosure of company financial information, including corporate income and tax payments, through filings to the Securities and Exchange Commission.

INTRODUCTION

In 2017 Republican leaders in Congress and President Donald Trump pushed through the unpopular "Tax Cuts and Jobs Act," (TCJA) which sharply reduced the federal corporate income tax rate and created a huge new break for capital investments while making a token effort to broaden the corporate tax base by eliminating some existing loopholes. Hastily cobbled together in less than seven weeks, the law is the result of a long-term aggressive push by corporate lobbyists to reduce the federal corporate income taxes their companies pay, based on the claim that tax cuts will spur capital investment, economic development and job growth.

This study examines federal income taxes paid or not paid by some of America's largest and most profitable corporations on their U.S. income in 2018, the first year that TCJA was in effect. The companies in our report are all from Fortune's annual list of America's 500 largest corporations and were profitable in the United States in 2018. The 379 companies in this study reported total pretax U.S. profits of $765 billion.

While the statutory federal tax rate is 21 percent, the 379 corporations in this study on average paid slightly more than half that rate, 11.3 percent, on their U.S. income in 2018. Many companies paid far less, including 91 that paid nothing last year.

It does not have to be this way. Corporate tax dodging is not inevitable but rather is the result of choices made by lawmakers. They can instead choose to shore up the corporate tax system with the types of reforms described in this report.

TCJA includes provisions that dramatically cut taxes and provisions that offset a fraction of the revenue loss by eliminating or limiting certain tax breaks. Many of TCJA's changes, including those benefiting ordinary families, expire at the end of 2025, whereas most of TCJA's corporate tax changes are permanent.

See Figure 1, below, for changes that affect corporate tax revenue.

FIGURE 1

Major Changes in the Tax Cuts and Jobs Act that Affect Corporate Tax Revenue

Provisions Affecting Corporations that Pay Corporate Income Tax (C Corporations)	Temp. vs. Perm.
Reduce the statutory corporate tax rate to 21%, repeal corporate AMT	PERMANENT
Territorial tax system and other international corporate changes	PERMANENT
Provisions Affecting Both C Corporations and Other Businesses	**Temp. vs. Perm.**
Limits on interest deductions	PERMANENT
100 percent expensing of equipment	TEMPORARY
Change net operating loss rules	PERMANENT
Amortization of research expenses (takes effect 2022)	PERMANENT
Repeal deduction for domestic production activities	PERMANENT

WHO'S PAYING CORPORATE TAXES—AND WHO'S NOT

The Tax Cuts and Jobs Act (TCJA) established a 21 percent statutory corporate income tax rate. That means corporations must pay 21 percent of their taxable income in federal taxes, but that is not the end of the story. Several breaks and loopholes allow companies to report taxable income that is much smaller than their actual income. Other special breaks allow companies to reduce their tax liability after they apply the rate to their taxable income. The result is that most corporations pay an effective rate that is much lower than the statutory rate of 21 percent.

Figure 2 summarizes what the 379 companies paid (or didn't pay) in effective U.S. income tax rates on their pretax U.S. profits in 2018.

- 91 companies paid effective tax rates of zero or less on their 2018 U.S. income. Their average effective tax rate was negative 5.9 percent. A negative tax rate means a corporation receives a refund from the IRS.[1]
- 56 companies paid effective tax rates between 0 percent and 5 percent in 2018. Their average effective tax rate was 2.2 percent.
- Fully half of the companies in our sample, 195 out of 379, paid effective tax rates that were less than half the new statutory rate.
- At the other end of the spectrum, 57 companies (roughly one-sixth of the companies in this report), paid effective tax rates of more than 21 percent in 2018, often because they repaid taxes that were deferred from prior years.[2] Their average effective tax rate was 26.9 percent.

FIGURE 2

Federal Income Tax Rates for 379 Companies, 2018

Figures in billions of dollars

Effective Tax Rate Group	# of companies	% of companies	Profit	Tax	Average Rate
Less than 10.5%	195	51%	$322.0	$5.8	1.8%
10.5% to 21%	127	34%	346.1	54.7	15.8%
More than 21%	57	15%	97.7	26.3	26.9%
ALL 379 COMPANIES	**379**	**100%**	**$ 765.7**	**$ 86.8**	**11.3%**
144 Ultra-low tax companies					
0% or less	91	24%	$101.0	$–6.2	–6.1%
0% to 5%	56	14%	103.4	2.4	2.4%

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

FIGURE 3

91 Companies Paying Zero or Less in Federal Income Tax, 2018

by Rate, Figures in millions of dollars

Company	Profit	Tax	Rate	Company	Profit	Tax	Rate
Phillips-Van Heusen	$18	$–31	–168.1%	Principal Financial	$1,641	$–55	–3.3%
Gannett	7	–11	–164.2%	PulteGroup	1,340	–44	–3.3%
INTL FCStone	9	–10	–110.3%	Penske Automotive Group	393	–13	–3.3%
Murphy Oil	12	–10	–84.1%	Air Products & Chemicals	671	–17	–2.5%
AECOM Technology	244	–186	–76.5%	Honeywell International	2,830	–71	–2.5%
International Business Machines	500	–342	–68.4%	Netflix	899	–22	–2.5%
CenturyLink	1,041	–576	–55.3%	General Motors	4,320	–104	–2.4%
DowDuPont	217	–119	–54.8%	Tenet Healthcare	251	–6	–2.4%
Activision Blizzard	447	–243	–54.4%	Xcel Energy	1,434	–34	–2.4%
Avis Budget Group	78	–37	–47.4%	MGM Resorts International	648	–12	–1.8%
Celanese	480	–142	–29.5%	Halliburton	1,082	–19	–1.8%
JetBlue Airways	219	–60	–27.4%	Nvidia	1,843	–32	–1.7%
Deere	2,152	–558	–25.9%	Molson Coors	1,325	–23	–1.7%
First Data	559	–121	–21.6%	PPL	1,110	–19	–1.7%
Duke Energy	3,029	–647	–21.4%	Atmos Energy	600	–10	–1.7%
Pitney Bowes	125	–26	–21.0%	American Electric Power	1,943	–32	–1.6%
Freeport-McMoRan Copper & Gold	391	–75	–19.2%	Starbucks	4,774	–75	–1.6%
WEC Energy Group	1,139	–218	–19.2%	Dominion Resources	3,021	–45	–1.5%
Levi Strauss	145	–25	–17.3%	Mohawk Industries	373	–6	–1.5%
Brighthouse Financial	989	–166	–16.8%	DTE Energy	1,215	–17	–1.4%
Whirlpool	717	–110	–15.3%	Owens Corning	405	–5	–1.2%
Aramark	315	–48	–15.3%	Kinder Morgan	1,784	–22	–1.2%
Prudential Financial	1,440	–210	–14.6%	Amazon.com	10,835	–129	–1.2%
Trinity Industries	138	–19	–13.9%	Andersons	46	–1	–1.2%
Ryder System	350	–47	–13.5%	DXC Technology	522	–6	–1.1%
United States Steel	432	–40	–9.3%	Devon Energy	1,297	–14	–1.1%
Eli Lilly	598	–54	–9.1%	FirstEnergy	1,495	–16	–1.1%
CMS Energy	774	–67	–8.7%	Hartford Financial Services	1,753	–18	–1.0%
Tapestry	307	–24	–7.9%	Ameren	1,035	–10	–1.0%
EOG Resources	4,067	–304	–7.5%	Darden Restaurants	760	–7	–0.9%
Beacon Roofing Supply	63	–4	–7.1%	Alaska Air Group	576	–5	–0.9%
SPX	67	–4	–6.6%	Ally Financial	1,587	–12	–0.8%
Realogy	199	–13	–6.5%	Sanmina-SCI	16	–0	–0.8%
Rockwell Collins	722	–40	–5.5%	Builders FirstSource	255	–2	–0.7%
Public Service Enterprise Group	1,772	–97	–5.5%	Occidental Petroleum	3,379	–23	–0.7%
Goodyear Tire & Rubber	440	–23	–5.2%	McKesson	1,477	–10	–0.7%
MDU Resources	314	–16	–5.1%	UGI	446	–3	–0.6%
FedEx	2,312	–107	–4.6%	Westrock	710	–4	–0.6%
Williams	1,828	–83	–4.5%	AK Steel Holding	169	–1	–0.3%
SpartanNash	40	–2	–4.1%	ABM Industries	88	–0	–0.2%
Chevron	4,547	–181	–4.0%	Cliffs Natural Resources	565	–1	–0.1%
Delta Air Lines	5,073	–187	–3.7%	AMR	1,884	—	—
Edison International	1,600	–57	–3.6%	Chesapeake Energy	867	—	—

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

FIGURE 3, continued

91 Companies Paying Zero or Less in Federal Income Tax, 2018

by Rate, Figures in millions of dollars

Company	Profit	Tax	Rate
HD Supply	$508	—	—
Navistar International	256	—	—
Pioneer Natural Resources	1,249	—	—
Salesforce.com	$800	—	—
Visteon	76	—	—
TOTAL, THESE 91 COMPANIES	**$106,468**	**$ -6,285**	**-5.9%**

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

THE SIZE OF THE CORPORATE TAX SUBSIDIES

In 2018, the 379 companies earned $765 billion in pretax profits in the United States. Had all of those profits been reported to the IRS and taxed at the statutory 21 percent corporate tax rate, the 379 companies would have paid almost $161 billion in income taxes in 2018. Instead, the companies as a group paid just more than 54 percent of that amount. You can think of the difference between what the corporations would have paid if subject to the full 21 percent rate and what they actually paid as the tax subsidies they enjoyed in 2018.

- Tax subsidies for the 379 companies totaled $73.9 billion. This is the difference between what the companies would have paid if their tax bills equaled 21 percent of their profits and what they actually paid.
- Half of the total tax-subsidy dollars in 2018—$37.1 billion—went to just 25 companies, each with more than $650 million in tax subsidies in 2018.
- Bank of America topped the list of corporate tax-subsidy recipients with more than $5.5 billion in tax subsidies in 2018.
- Other top tax subsidy recipients included J.P. Morgan Chase ($3.7 billion), Wells Fargo ($3.2 billion), Amazon ($2.4 billion), and Verizon ($1.7 billion).

FIGURE 4

25 Companies with the Largest Total Tax Subsidies, 2018

Figures in millions of dollars

Company	2018 Tax Breaks
Bank of America Corp.	$5,595
J.P. Morgan Chase & Co.	3,743
Wells Fargo	3,229
Amazon.com	2,404
Verizon Communications	1,708
NextEra Energy	1,501
Duke Energy	1,283
Delta Air Lines	1,252
EOG Resources	1,158
Capital One Financial	1,148
Chevron	1,136
AT&T	1,125
American Express	1,098
United Parcel Service	1,096
Starbucks	1,077
General Motors	1,011
Deere	1,010
Apple	989
Morgan Stanley	909
Wal-Mart Stores	880
Comcast	861
CenturyLink	795
Occidental Petroleum	733
Walt Disney	721
Dominion Resources	679
TOTAL, THESE 25 COMPANIES	**$37,142**
Other 354 companies	36,808
ALL COMPANIES	**$73,950**

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

TAX RATES (AND SUBSIDIES) BY INDUSTRY

The effective tax rates in our study varied widely by industry. Effective industry tax rates for our 379 corporations ranged from a low of -0.6 percent to a high of 22 percent.

- Industrial machinery companies as a group enjoyed the lowest effective federal tax rate in 2018, paying a tax rate of negative 0.6 percent. These results were largely driven by the ability of these companies to claim accelerated depreciation tax breaks on their capital investments. Only three of the 10 industrial machinery companies in our study paid more than half the 21 percent statutory tax rate on their 2018 income last year.
- Other low-tax industries (those paying less than half the statutory 21 percent tax rate in 2018) included: utilities (-0.5%), motor vehicles & parts (1.5%), oil, gas & pipelines (3.6%), chemicals (4.4%), transportation (8.0%), engineering and construction (8.0%), miscellaneous services (8.3%), publishing and printing (9.8%), and financial (10.2%).
- Only four of the industries surveyed (internet services & retail, computers, pharmaceuticals and medical products, and health care) paid an effective tax rate of 20 percent or more on their U.S. income in 2018.

Effective tax rates also varied widely within industries. For example, effective tax rates on food and beverage companies ranged from negative 1.7 percent for Molson Coors up to 28 percent for J.M. Smucker. Among aerospace and defense companies, effective tax rates ranged from a low of negative 5.5 percent for Rockwell Collins to a high of 25 percent for Spirit Aerosystems. Pharmaceutical giant Eli Lilly paid negative 9 percent, while its competitor Biogen Idec paid 30 percent, well above the statutory rate. In fact, as the detailed industry table starting on page 52 of this report illustrates, effective tax rates were widely divergent in almost every industry.

The difference in tax rates between companies, even within the same industry, demonstrates how loopholes in our tax code can create huge economic distortions by giving some companies a tax advantage over their competitors.

(See Figure 5, *Effective Corporate Tax Rate for Companies by Industry*, on page 12.)

This report also looks at the size of total tax subsidies received by each industry for the 379 companies in our study. Among the notable findings:

- 50 percent of total tax subsidies went to just three industries: financial, utilities, and oil, gas & pipelines—even though these companies only enjoyed 37 percent of the U.S. profits in our sample.
- Other industries received a disproportionately small share of tax subsidies. Companies engaged in retail and wholesale trade, for example, represented 13 percent U.S. profits in our sample, but enjoyed just 8.6 percent of the tax subsidies.

FIGURE 5

Effective Corporate Tax Rates for 379 Corporations, by Industry, 2018

Figures in millions of dollars

Industry	Profit	Tax	Rate
Industrial Machinery	$11,264	$–71	–0.6%
Utilities, gas and electric	39,894	–212	–0.5%
Motor vehicles and parts	9,265	135	1.5%
Oil, gas & pipelines	44,644	1,628	3.6%
Chemicals	6,281	275	4.4%
Transportation	30,665	2,446	8.0%
Engineering & construction	4,749	380	8.0%
Miscellaneous services	49,204	4,078	8.3%
Publishing, printing	1,880	185	9.8%
Financial	196,270	20,070	10.2%
Miscellaneous manufacturing	25,935	2,980	11.5%
Telecommunications	58,171	6,972	12.0%
Aerospace & defense	23,360	2,875	12.3%
Financial data services	19,769	2,688	13.6%
Food & beverages & tobacco	24,769	3,369	13.6%
Retail & wholesale trade	97,264	14,051	14.4%
Metals & metal products	6,283	1,013	16.1%
Household & personal products	7,440	1,400	18.8%
Internet Services & Retailing	9,272	1,873	20.2%
Computers, office equip, software, data	52,314	10,656	20.4%
Health care	21,441	4,440	20.7%
Pharmaceuticals & medical products	25,554	5,615	22.0%
ALL INDUSTRIES	**$ 765,688**	**$ 86,845**	**11.3%**

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

HISTORICAL COMPARISONS OF TAX RATES AND TAX SUBSIDIES

U.S. corporations are now operating under a very different set of rules than they were just two years ago, with a statutory rate 40 percent lower than it was in 2017. During the nearly 40 years that ITEP has analyzed effective tax rates, lawmakers have enacted a variety of major and minor changes to both the statutory tax rate and the underlying tax base, adding and occasionally taking away tax breaks that affect the share of corporate profits that are taxed. Put another way, the dramatic changes in 2017 are just one more chapter in a long-term erosion of the federal corporate income tax. For this reason, it is especially helpful to place our new findings in a historical context to see how, if at all, the complicated array of changes involved with the 2017 tax cuts have changed the long-term trajectory of our corporate tax code.

In the immediate wake of President Ronald Reagan's 1981 tax cuts, ITEP's first analysis found that profitable corporations were paying just 14.1 percent of their U.S. profits, on average, in federal income taxes. By 1986, President Ronald Reagan fully repudiated his earlier policy of showering tax breaks on corporations. Reagan's Tax Reform Act of 1986 closed corporate loopholes that had provided tens of billions of dollars in tax breaks, so that by 1988, ITEP's survey of large corporations found that the overall effective corporate tax rate increased to 26.5 percent. This improvement occurred even though the 1986 tax reforms cut the statutory corporate rate from 46 percent to 34 percent.[3]

In the 1990s, however, many corporations began to find ways around the 1986 reforms, abetted by changes in tax laws as well as by tax-avoidance schemes devised by major accounting firms. As a result, in our study of 250 companies, we found that the average effective corporate tax rate had fallen to 21.7 percent from 1996 through 1998. Our 2004 study subsequently found that corporate tax cuts adopted in 2002 had driven the effective rate down to only 17.2 percent in 2002 and 2003. Our most recent study, covering the period 2008 through 2015, found an average tax rate that was only slightly higher at 21.2 percent.

This means that the 11.3 percent effective tax rate found in this study is likely the lowest effective tax rate in the last 40 years, well below the 14.1 percent effective tax rate that shocked President Reagan into supporting loophole-closing reforms.

Previous Corporate Tax Studies

1984
Corporate Income Taxes in the Reagan Years, Citizens for Tax Justice (CTJ)

1985
The Failure of Corporate Tax Incentives, CTJ

Corporate Taxpayers and Corporate Freeloaders, CTJ

1986
Money for Nothing, CTJ & ITEP

130 Reasons Why We Need Tax Reform, CTJ & ITEP

The Corporate Tax Comeback, CTJ & ITEP

1989
It's Working, But... CTJ & ITEP

2000
Corporate Income Taxes in the 1990s ITEP

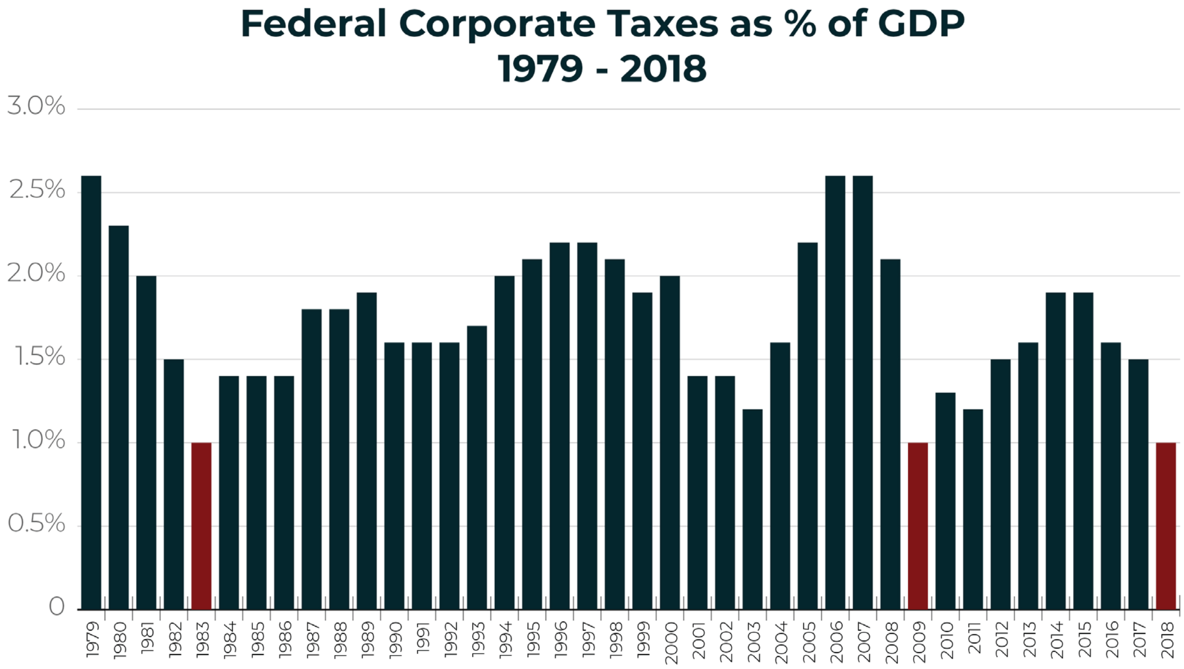
2004
Corporate Income Taxes in the Bush Years, CTJ & ITEP

2011
Corporate Taxpayers and Corporate Tax Dodgers, CTJ & ITEP

2014
The Sorry State of Corporate Taxes, CTJ & ITEP

2017
The 35 Percent Corporate Tax Myth, ITEP

FIGURE 6



Corporate tax revenues are also now nearing a historic low as a share of the U.S. economy. As Figure 6 shows, overall federal corporate tax collections as a share of GDP have only fallen to 1.0 percent three times in the last 40 years. The first time was in 1983, at the nadir of President Reagan's supply-side experiment. The second time was in 2009, when the Great Recession's impact on tax collections was at its worst. And the last time was in fiscal 2018, the first year in which President Trump's tax cuts were in effect.

In 1983, the architects of the Reagan tax cuts knew the cuts were unsustainable. In 2009, the corporate tax dip was the inevitable product of a recession. In this context, it seems clear that the focal point of corporate tax reform going forward should be raising revenue. Getting the nation's fiscal house back in order will require increasing corporate income tax revenues.

HOW COMPANIES LOWER THEIR TAX BILLS

Why do we find such low effective tax rates for so many companies and industries? The company-by-company notes starting on page 27 detail, where available, reasons why particular corporations paid low taxes. Here is a summary of several of the major tax-lowering factors that are revealed in the companies' annual reports. For each of the tax avoidance mechanisms discussed here, reporting in financial statements is spotty at best, so we can't calculate the full amount of specific tax breaks claimed by these corporations; instead we present only the amounts they choose to disclose.

Full expensing of capital spending

The tax laws generally allow companies to write off their capital investments faster than the assets actually wear out. This "accelerated depreciation" is technically tax deferral, but as long as a company continues to invest, the tax deferral tends to be indefinite. While accelerated depreciation tax breaks have been available for decades, the 2017 tax law supercharged them by allowing companies to immediately write off the entire costs of most capital spending. This change to the depreciation rules, on top of the already far too generous depreciation deductions allowed under pre-existing law, reduced taxes for many of the companies in this study by tens of billions of dollars. In many cases, companies disclose the value of depreciation-related tax breaks, but in other cases, limited financial reporting makes it hard to calculate exactly how much of the tax breaks we identify are related to depreciation.

Even before the 2017 tax bill introduced full expensing, the tax law allowed companies to take much bigger accelerated depreciation write-offs than is economically justified. This subsidy distorts economic behavior by favoring some industries and some investments over others, wastes huge amounts of resources, and has little or no effect in stimulating investment. A report from the Congressional Research Service, reviewing efforts to quantify the impact of depreciation breaks, found that "the studies concluded that accelerated depreciation, in general, is a relatively ineffective tool for stimulating the economy."[4]

Combined with rules allowing corporations to deduct interest expenses, accelerated depreciation can result in very low, or even negative, tax rates on profits from particular investments. A corporation can borrow money to purchase equipment, deduct the interest expenses on the debt and quickly deduct the cost of the equipment thanks to accelerated depreciation. The total deductions can then make the investments more profitable after tax than before tax.

RELATED REPORT >>

For more information about depreciation tax breaks, see ITEP's report, "**The Failure of Expensing and Other Depreciation Breaks**."

Stock options

Most big corporations give their executives (and sometimes other employees) options to buy the company's stock at a favorable price in the future. Corporations deduct the value of stock options just as they deduct the value of any compensation to employees, but the tax rules make this particular form of compensation a golden opportunity for tax avoidance. The value of stock options is the difference between the agreed-upon price at which the employee can purchase stock and the price at which the stock is selling on the market. For example, if an employee receives options to purchase a certain amount of stock for $1 million and will exercise that option at a time when that amount of stock is selling on the market for $3 million, the value of the options is $2 million.

The problem is that when a corporation deducts that value for tax purposes, they calculate it in a way that generates a much larger figure than the actual cost to the corporation, which they report to investors.[5]

Accounting rules require a company to, at the time a stock option is granted to an employee, estimate the value of that option on the date it will be exercised, which is difficult to predict. Unlike the accounting rules, the tax rules allow the company to wait until the employee exercises the option, which could be several years later, and claim a tax deduction equal to the value of the stock option at that time, which can be much larger than the value reported to investors.

It does not make sense for companies to treat stock options inconsistently for tax purposes versus shareholder-reporting or "book" purposes.

This stock option book-tax gap is a regulatory anomaly that should be eliminated. A template for this reform already exists in legislation introduced by former Senators Carl Levin and John McCain in previous Congresses. Levin first introduced the bill as the Ending Double Standards for Stock Options Act in 1997 and reintroduced various versions of the bill in subsequent years, including several cosponsored by Senator McCain.[6]

119 corporations in the study disclosed their "excess stock-option tax benefits" in 2018, which lowered their taxes by a total of $10.9 billion. (Many other companies enjoyed stock option benefits but did not disclose them fully.) The tax benefits ranged from as high as $1.6 billion for Amazon and $1.1 billion for J.P. Morgan Chase to only tiny amounts for a few companies. Just 25 companies enjoyed more than 82 percent of the total excess tax benefits from stock options disclosed by all 379 companies in the study, receiving $9 billion of the $10.9 billion total.

RELATED REPORT >>

For more information about stock option tax breaks, see ITEP's recent report, "**How Congress Can Stop Corporations from Using Stock Options to Dodge Taxes**."

Industry-specific tax breaks

The federal tax code also provides tax subsidies to companies that engage in certain activities. For example: research (very broadly defined); drilling for oil and gas; providing alternatives to oil and gas; ethanol production; maintaining railroad tracks; building NASCAR race tracks; and a wide variety of activities that special interests have persuaded Congress need to be subsidized through the tax code.

What about the AMT?

The corporate Alternative Minimum Tax (AMT) was revised in 1986 to ensure that profitable corporations pay some substantial amount in income taxes no matter how many tax breaks they enjoy under the regular corporate tax. The corporate AMT was particularly designed to curb leasing tax shelters that had allowed corporations such as General Electric to avoid most or all of their regular tax liabilities.

But laws enacted in 1993 and 1997 at the behest of corporate lobbyists sharply weakened the corporate AMT. There was comparatively little uproar when Congress finally repealed the tax as part of the 2017 tax bill. The AMT was always a second-best approach to minimizing the harm caused by corporate giveaways. A far better approach would be to simply repeal unworthy tax breaks outright. Nonetheless, it served an important function in ensuring that big companies would pay at least some federal income tax each year. As this report documents, the problem of zero-tax corporations has only worsened in the absence of the AMT.

Bringing back a stronger, more coherent AMT that disallows most or all of the tax breaks provided under the regular income tax rules could be a vital part of sustainable corporate tax reform going forward.

"GILTI" As Charged?

When Congress and President Trump enacted a new "territorial" tax system in 2017, they largely abandoned the effort to ensure that U.S. corporations can't shift domestic profits, on paper, out of the U.S. and into low-rate foreign tax havens. But the new law did contain new legislative guardrails designed to ensure that the U.S. Treasury gains at least a minimal amount of revenue from multinational offshoring. The main guardrail is the Global Intangible Low-Tax Income (GILTI) provision. In lieu of identifying and stopping offshore income shifting, the GILTI provision asserts that any foreign profits that exceed 10 percent of a firm's foreign depreciable property must be the result of income shifting, and subjects this "excess" profit to a special low-rate tax of 10.5 percent. Among this provision's weaknesses is that it does nothing to prevent companies from achieving more "normal" returns on their offshore assets. But GILTI is, nonetheless, a revenue raiser, so it's worth asking what Fortune 500 financial reports for 2018 are telling us about how much it's raising.

The answer appears to be "not a lot." We identified less than two dozen companies disclosing a payment for GILTI in 2018, and these payments summed to less than $800 million in tax.

TAX REFORM OPTIONS

Corporate tax avoidance is not a law of nature but rather something that lawmakers have decided to allow. Several legislative reforms would shut down the types of tax breaks identified in this study.

Congress should:

- Repeal the full expensing provision enacted as part of TCJA and then take the next step and repeal the rest of accelerated depreciation, too.
- Limit the ability of tech and other companies to use executive stock options to reduce their taxes by generating “costs” that far exceed what companies actually incur.
- Impose a worldwide tax system on American corporations, so that they pay the same tax rate on profits regardless of whether they report earning those profits in the U.S. or offshore, while continuing to allow a credit for taxes paid to foreign governments.
- Reinstate a strong corporate Alternative Minimum Tax.
- Increase transparency by requiring country-by-country public disclosure of company financial information, through filings to the Securities and Exchange Commission (see page 19).

These sensible proposals bear little resemblance to the law enacted by Congress in 2017.

The great missed opportunity of the 2017 tax law was base-broadening. As this report makes clear, the biggest and most profitable companies are still finding apparently legal ways of ensuring that close to half of their profits are entirely exempt from the federal corporate income tax, just as was true before 2017.

Increasing the statutory tax rate to offset some of the huge cuts enacted in 2017 could certainly be a part of any reform package. But the harder, and more vital, work will be done when lawmakers show more courage than they did in 2017 and pare back the billions of dollars in tax giveaways that lard the tax code presently. Simply increasing the statutory tax rate will not be enough.

A PLEA FOR BETTER DISCLOSURE

Determining the tax rates paid by the nation's biggest and most profitable corporations shouldn't be hard. Lawmakers, the media and the general public should all have a straightforward way of knowing whether our tax system requires the biggest and most profitable companies to pay their fair share. But in fact, it's an incredibly difficult enterprise. The fact that a report such as this takes several months to complete illustrates the need for clearer and more detailed public information about companies' federal income taxes.

The best way to provide the media, lawmakers and the public with the information they need to make informed decisions about our nation's tax code would be to require companies to publicly disclose key financial data on a country-by-country basis. Ideally, this would include the disclosure of total revenues, profit, income tax paid, tax cash expenses, stated capital, accumulated earnings, number of employees on a full-time basis, and book value of tangible assets on a country-by-country basis. For many companies that will already have to file country-by-country reports to the Internal Revenue Service (IRS) in the coming years, providing this information in financial statements would represent little to no additional cost.

At a minimum, we need a straightforward statement of what they paid in federal taxes on their U.S. profits and the reasons why those taxes differed from the statutory 21 percent corporate tax rate. This information would be a major help, not only to analysts but also to policymakers.

FIGURE 7

A Minimum Benchmark for Corporate Tax Disclosure in Annual Financial Reports

1 Pretax profits as reported to shareholders	**U.S. profits**		**Foreign profits**		
2 Income taxes on those profits —	**On U.S. profits**		**On foreign profits**		
(a) Income taxes paid or payable on return for year, including effects of carrybacks	to U.S. govt	to state govts	to foreign govts	to U.S. govt	to state govts
(b) Income taxes deferred (not yet paid and not payable on return for year)	by U.S. govt	by state govts	by foreign govts	by U.S. govt	by state govts
3 Details on Income taxes paid and not paid	**On U.S. profits**		**On foreign profits**		
(a) List of all significant items reducing or increasing taxable income compared to profits reported above (with dollar amounts)	U.S. federal	state	foreign govts	U.S. federal	U.S. state
(b) Taxable income (profits less items listed above)	U.S. federal	state	foreign govts	U.S. federal	U.S. state
(c) Tax paid or payable on return for year before credits, including the effects of carrybacks	U.S. federal	state	foreign govts	U.S. federal	U.S. state
(d) Credits taken on return for taxable year (listing details and dollar amounts) including the effects of carrybacks	U.S. federal	state	foreign govts	U.S. federal	U.S. state
(e) Tax after credits (should equal line 2(a) above)	U.S. federal	state	foreign govts	U.S. federal	U.S. state

Notes: "Significant" means any item that reduces or increases taxable income by more than 3 percent, or in the case of credits reduces tax before credits by more than 1 percent. Items not listed separately because they are not "significant" should be reported in the aggregate. Tax items that under current reporting are not listed in the tax footnote, for example, tax benefits from stock options, should be included in the tax figures reported under the rules outlined above.

APPENDIX 1: METHODOLOGY

This study is an in-depth look at corporate taxes paid in 2018. It is similar to a series of widely-cited and influential studies by Citizens for Tax Justice and the Institute on Taxation and Economic Policy, starting in the 1980s and most recently in 2017. This report covers 379 profitable Fortune 500 corporations and analyzes their U.S. profits and corporate income taxes in 2018. In this one year, these companies reported $760 billion in pretax U.S. profits, and, on average, paid tax on just over half that amount.

1. Choosing the Companies

This report is based on corporate annual reports to shareholders and the similar 10-K forms that corporations are required to file with the Securities and Exchange Commission. We relied on electronic versions of these reports from the companies' websites or from the SEC website.

As we pursued our analysis, we gradually eliminated companies from the study based on two criteria: either (1) a company lost money in 2018 or (2) a company's report did not provide sufficient information for us to accurately determine its domestic profits, current federal income taxes, or both. This left us with the 379 companies in our report.

The total net federal income taxes reported by the 379 companies in this study amounted to about 40 percent of all net federal corporate income tax collections in fiscal year 2018.

2. Method of Calculation

Conceptually, our method for computing effective corporate tax rates is straightforward. First, we determined a company's domestic profit and then subtracted current state and local taxes to determine net U.S. pretax profits before federal income taxes. We then calculated a company's federal current income taxes. Current taxes are those that a company is obligated to pay during the year; they do not include taxes "deferred" due to various federal "tax incentives" such as accelerated depreciation. Finally, we divided current U.S. taxes by pretax U.S. profits to determine effective tax rates.[7]

A. Issues in measuring profits.

The pretax U.S. profits reported in the study are generally as the companies disclosed them. In a few cases, if companies did not separate U.S. pretax profits from foreign, but foreign profits were obviously small, we made our own geographic allocation, based on a geographic breakdown of operating profits minus a prorated share of any expenses not included therein (e.g., overhead or interest), or we estimated foreign profits based on reported foreign taxes or reported foreign revenues as a share of total worldwide profits.

Many companies report "noncontrolling interest" income, which is usually included in total reported pretax income. This is income of a subsidiary that is not taxable income of the parent company. When substantial noncontrolling income was disclosed, we subtracted it from U.S. and/or foreign pretax income.

Where significant, we adjusted reported pretax profits for several items to reduce distortions. In the second half of 2008, the U.S. financial system imploded, taking our economy down with it. By the fourth quarter of 2008, no one knew for sure how the federal government's financial rescue plan would work.

Many banks predicted big future loan losses and took big book write-offs for these pessimistic estimates. Commodity prices for things like oil and gas and metals plummeted, and many companies that owned such assets booked "impairment charges" for their supposed long-term decline in value. Companies that had acquired "goodwill" and other "intangible assets" from mergers calculated the estimated future returns on these assets, and if these were lower than their "carrying value" on their books, took big book "impairment charges." All of these book write-offs were non-cash and had no effect on either current income taxes or a company's cash flow.

As it turned out, the financial rescue plan, supplemented by the best parts of the economic stimulus program adopted in early 2009, succeeded in averting the Depression that many economists had worried could have happened. Commodity prices recovered, the stock market boomed, and corporate profits zoomed upward. But in one of the oddities of book accounting, the impairment charges could not be reversed.

Here is how we dealt with these extraordinary non-cash charges, plus "restructuring charges," that would otherwise distort annual reported book profits and effective tax rates:

i. Smoothing adjustments

Some of our adjustments simply reassign booked expenses to the years that the expenses were actually incurred. These "smoothing" adjustments avoid aberrations in one year to the next.

"Provisions for loan losses" by financial companies: Rather than using estimates of future losses, we generally replaced companies' projected future loan losses with actual loan charge-offs less recoveries. Over time, these two approaches converge, but using actual loan charge-offs is more accurate and avoids year-to-year distortions. Typically, financial companies provide sufficient information to allow this kind of adjustment to be allocated geographically.

"Restructuring charges": Sometimes companies announce a plan for future spending (such as the cost of laying off employees over the next few years) and will book a charge for the total expected cost in the year of the announcement. In cases where these restructuring charges were significant and distorted year-by-year income, we reallocated the costs to the year the money was spent (allocated geographically).

ii. "Impairments"

Companies that booked "impairment" charges typically went to great lengths to assure investors and stock analysts that these charges had no real effect on the companies' earnings. Some companies simply excluded impairment charges from the geographic allocation of their pretax income. For example, Conoco-Phillips assigned its 2008 pretax profits to three geographic areas, "United States," "Foreign," and "Goodwill impairment," implying that the goodwill impairment charge, if it had any real existence at all, was not related to anything on this planet. In addition, many analysts have criticized these non-cash impairment charges as misleading, and even "a charade."[8] Here is how we treated "impairment charges":

a. Impairment charges for goodwill (and intangible assets with indefinite lives) do not affect future book income, since they are not amortizable over time. We added these charges back to reported profits, allocating them geographically based on geographic information that companies supplied, or as a last resort by geographic revenue shares.

b. Impairment charges to assets (tangible or intangible) that are depreciable or amortizable on the books will affect future book income somewhat (by reducing future book write-offs, and thus increasing future book profits). But big impairment charges still hugely distort current year book profit. So as a general rule, we also added these back to reported profits if the charges were significant.

c. Caveat: Impairments of assets held for sale soon were not added back. All significant adjustments to profits made in the study are reported in the company-by-company notes.

B. Issues in measuring federal income taxes.

The primary source for current federal income taxes was the companies' income tax notes to their financial statements. The tax note includes each company's best assessment of its current federal income tax bill for 2018. In general, the numbers included in our report are identical to "current federal income tax" as reported by each company.[9] However, 2018 tax disclosures present a special challenge for the use of these data. In late December of 2017, the newly-enacted tax law passed by Congress imposed a one-time "deemed repatriation" tax on companies' accumulated prior foreign profits. Companies included the estimated value (if any) of this tax in their current income tax for 2017, because accounting rules required immediate recognition of this expense even if it wasn't paid immediately. In most cases, this did not affect the 2018 data used in our report. But there were two situations in which the transition tax required an adjustment to our data.

First, some companies in our sample have fiscal years that overlap mostly, but not completely, with the calendar year. For companies with fiscal years ending in (for example) October, the 2018 annual report covers a time period including late December 2017, which means the transition tax is included in 2018 current income tax and must be subtracted.

Second, some companies with conventional fiscal years that follow the calendar year made second-round re-estimates of the transition tax in 2018. (A special Financial Accounting Standards Board (FASB) rule, in a nod to the very short period of time companies were given to assess the impact of the 2017 tax cuts before the end of their 2017 fiscal year, gave companies latitude to make adjustments their original estimates in the following year, and many companies did so.) In many cases, the transition tax was adjusted downward, making current federal income tax for 2018 appear lower than it really was. In a smaller number of cases, the transition tax was adjusted upwards, making current federal income tax related to 2018 income appear larger than it really was.

In each of these cases, current federal income tax for 2018 should not include the effect of the transition tax or the transition tax adjustment. The transition tax is not related to U.S. income earned during 2018 but is associated with foreign income earned in an indeterminate year, usually before 2018. We adjusted reported current federal income tax, where necessary, to exclude the effect of the transition tax or transition tax adjustment. When companies disclosed the existence of a transition tax adjustment but did not disclose its size, we eliminated that company from the sample because it wasn't possible to determine true 2018 income tax liability.

C. Negative tax rates

A "negative" effective tax rate means that a company enjoyed a tax rebate. This can occur by carrying back excess tax deductions and/or credits to an earlier year or years and receiving a tax refund check from the U.S. Treasury Department. Negative tax rates can also result from recognition of tax benefits claimed on earlier years' tax returns but not reported as tax reduction in earlier annual reports because companies did not expect that the IRS would allow the tax benefits. If and when these "uncertain tax benefits" are recognized, they reduce a company's reported current income tax in the year that they are recognized. See the appendix on page 24 for a fuller discussion of "uncertain tax benefits."

D. High effective tax rates

Some of the companies in our study report effective U.S. federal income tax rates that are higher than the 21 percent official corporate tax rate. This phenomenon is usually due to taxes that were deferred in the past but that eventually came due. Such "turnarounds" often involve accelerated depreciation tax breaks, which usually do not turn around so long as companies are continuing to increase or maintain their investments in plant and equipment. But these tax breaks can turn around if new investments fall off (for example, because a bad economy makes continued new investments temporarily unprofitable).

E. Industry classifications

Because some companies do business in multiple industries, our industry classifications are far from perfect. We generally, but not always, based them on Fortune's industry classifications.

APPENDIX 2

Why the "current" federal income taxes that corporations disclose in their annual reports are the best (and only) measure of what corporations really pay (or don't pay) in federal income tax

Some analysts and journalists, along with some corporations, have pointed that the "current income taxes" reported by corporations under oath in their annual reports are not a true measure of the income taxes that corporations actually pay. This is narrowly true, in that the precise income tax bill for each company in each year can only be known by the company itself and the IRS tax administrators who process the tax returns. But "current income taxes" do represent the company's best assessment of their tax bill at the time and are the only available measure of what corporations pay in income taxes broken down by payments to the federal government, state governments and foreign governments.

Our report focuses on the federal income tax that companies are currently paying on their U.S. profits. So we look at the current federal tax expense portion of the income tax provision in the financial statements. The "deferred" portion of the tax provision is tax based on the current year income but not due yet because of the differences between calculating income for financial statement purposes and for tax purposes. When those timing differences turn around—if they ever do—the related taxes will be reflected in the current tax expense.[10]

The federal current tax expense is just exactly what the company expects its current year tax bill to be when it files its tax return. If the calculation of the income tax provision was done perfectly, the current tax expense would exactly equal the total amount of tax shown on the tax return. But the income tax provision is calculated in February as the company is preparing its 10-K for filing with the Securities and Exchange Commission (SEC), and the company's tax return isn't usually filed until September. While the company's tax return is prepared over those several months, things will be found that weren't accounted for in the financial statement income tax provision, and numbers that were estimated in February will be refined for the actual return. Those small differences will be included in the following year's current tax expense, but the impact on our calculations should be minimal. If the differences in any one year were material, accounting rules would require the company to restate their prior year financials.

The complaints that "current income taxes" are not an accurate measure of taxes actually paid does contain an important truth that is worth remembering; "current income tax" is almost certainly an inflated estimate of what companies actually pay, because of a concept called "dubious tax benefits."

Dubious tax benefits, officially known as "uncertain tax positions" and "unrecognized tax benefits," are tax breaks that companies claim on their tax returns but are not allowed to report on their financial books until and if these claimed tax benefits are allowed. Securities and Exchange Commission rules require each company to assess the likelihood that each tax break it claims on tax returns will be disallowed on examination by tax administrators. The disclosure was introduced so that policymakers and tax administrators could assess the overall aggressiveness of each company's tax avoidance.

For example, suppose a corporation on its 2018 tax return tells the IRS that it owes $700 million in federal income tax for the year. But the corporation's tax staff believes that on audit the corporation will most likely owe an additional $300 million, because $300 million in tax benefits that the company claimed on its tax return are unlikely to be approved by the IRS. As a result, the corporation's current income tax for 2018 that it reports to shareholders (and that we calculate in our reports) will be $1 billion, the amount that the corporation expects to actually owe in income taxes.[11]

After that, two things, in general, can happen:

More often than not. Suppose that, as the corporation's tax staff predicted, the IRS in 2020 disallows the $300 million in dubious tax benefits claimed on the company's 2018 tax return. In this case, the $1 billion million in reported current income tax for 2018 will turn out to have been correct. In 2020, when the dubious tax benefits are disallowed, the company will have to pay back the $300 million (plus interest and penalties) to the IRS. Reasonably enough, the corporation will not report that 2020 payback in its 2020 annual report to shareholders, since it had already reported it as paid back in 2018.

Occasionally. Suppose instead that to the surprise of the corporation's tax staff, the IRS in 2020 allows some or part of the $300 million in dubious tax benefits claimed in 2018. In this case, the corporation will reduce its 2020 "current income tax" reported to shareholders by the allowed amount of the dubious tax benefits previously claimed on the corporation's 2018 tax return.

But, argue some analysts, isn't the right answer to go back and reassign the eventually allowed dubious tax benefits to 2018, the year they were claimed on the corporation's tax return? The answer is no, for two reasons:

First, booking the corporation's tax windfall in 2020, the year it was allowed by the IRS, makes logical sense. That's because until the IRS allowed the dubious tax benefits, it was the judgment of the company's tax experts that the company was probably not legally entitled to those tax benefits. In essence, the IRS's allowance of all or part of the dubious tax benefits claimed on the company's 2018 tax return is the same as the corporation receiving an unexpected tax refund in 2020.

It's as if the company had initially borrowed the money from the IRS, but expected to pay it back (with interest). When and if the IRS "forgives" part or all of the "loan," then the company recognizes the tax benefit. Likewise, suppose you borrow money from your employer with the expectation that you'll pay it back. But later, your employer forgives your debt. You didn't have to declare the loan as income when you borrowed the money, but you do have to declare it as income when the loan is forgiven.

Second, even if one believed that the 2020 tax windfall ought to be reassigned to 2018, there is simply no way to do so. That's because corporations do not disclose sufficient information in their annual reports to make such a retroactive reallocation.[12]

An Alternative Measure: Cash Income Taxes Paid

In their annual reports to shareholders, corporations also report something called "cash income taxes paid." Cash income taxes paid is net of stock option tax benefits and does not include "deferred" taxes.[13] Unlike current taxes, however, cash income taxes paid subtracts dubious tax benefits that are likely to be reversed later (and adds those dubious tax benefits if and when they are later reversed).

"Cash income taxes paid" is sometimes interesting, but it is useless for purposes of measuring the federal income taxes that U.S. multinational corporations pay on their U.S. profits. That's because "cash income taxes paid" are not broken down by taxing jurisdiction. Instead, this measure lumps together U.S. federal income taxes, U.S. state income taxes and foreign income taxes. Since most big corporations are multinationals these days, and almost all are subject to both federal and state income taxes, that's a fatal defect.[14]

Even for purely domestic corporations, "cash income taxes paid" is a problematic measure. It often fails to match income in a given year with the taxes paid for that year (since companies don't settle up with the IRS until after a given year is over). The cash payments made during the year include quarterly estimated tax payments for the current year, balances due on tax returns for prior years, and any refunds or additional taxes due as a result of tax return examinations or loss carrybacks. Put another way, any check a company writes during a given fiscal year related to income taxes in any year, in any jurisdiction, will be incorporated into "cash income taxes paid."

To be sure, if "cash income taxes paid" were reported by taxing jurisdiction and better linked with the pretax income in a given year, then this measure could be useful. But as of now, it is not, except in one way: it supports our use of current taxes as a measure of how much in taxes corporations are really paying. If you compare a company's total current taxes (after subtracting the excess stock benefits) to cash taxes paid over a period of years, you will see that they are generally very close. The differences, if any, suggest that the effective rate corporations are paying may be even less than what we've calculated.

ENDNOTES

1 A “negative” effective tax rate means that a company enjoyed a tax rebate. This can occur because a corporation carries back excess tax deductions and/or credits to an earlier year or years and receives a tax refund check from the U.S. Treasury Department. Negative tax rates can also result from recognition of tax benefits claimed on earlier years’ tax returns, but not reported as tax reduction in earlier annual reports because companies did not expect that the IRS would allow the tax benefits.

2 When a corporation pays an effective income tax rate that is higher than the statutory income tax rate, it is usually due to taxes that were deferred in the past but that eventually came due. Such “turnarounds” often involve accelerated depreciation tax breaks, which usually do not turn around so long as companies continue to increase or maintain their investments in plants and equipment. But these tax breaks can turn around if new investments fall off (for example, because a bad economy makes continued new investments temporarily unprofitable).

3 The statutory rate was increased to 35 percent in President Bill Clinton’s 1993 deficit reduction act.

4 Gary Guenther, “Section 179 and Bonus Depreciation Expensing Allowances: Current Law, Legislative Proposals in the 112th Congress, and Economic Effects,” Congressional Research Service, September 10, 2012.

5 Employees exercising stock options must report the difference between the value of the stock and what they pay for it as wages on their personal income tax returns.

6 See, e.g., Ending Corporate Tax Favors for Stock Options Act, S. 1491 (111th Congress).

7 The effective federal income tax rates we report in this study should not be confused with an item that companies include in their annual reports with the unfortunately similar name “effective tax rate.” This latter number is a conglomeration of U.S., state and foreign income taxes, including income taxes paid and income taxes not paid (i.e., deferred). It is meaningless for understanding what companies actually pay in U.S. taxes, and even for purely domestic companies tells us little about the size of the check companies will actually write for income taxes this year.

8 One article describes goodwill impairment charges as “a ludicrous charade” “which everyone and their brothers and sisters dismiss as merely the result of an arbitrary recalculation of an arbitrary calculation.”

9 In past editions of this report we subtracted “excess tax benefits” from stock options (if any), which reduced companies’ tax payments but which were not reported as a reduction in current taxes, but are instead reported separately (typically in companies’ cash-flow statements). Thanks to new accounting rules that took effect in 2016, this step is no longer required because companies are required to include the effect of excess tax payments in their current tax estimates.

10 Companies also explain in their tax footnote why the income tax provision isn’t exactly 21% (the newly reduced U.S. statutory rate) in their “rate reconciliation.” It might show, for example, that “U.S. Business Credits” reduced their total worldwide effective tax rate by 4.4% or that “Tax on Global Activities” reduced their total worldwide effective tax rate by 6.7%. But this disclosure is a reconciliation of their worldwide effective rate, based on the total of current and deferred taxes, and doesn’t necessarily tell you much, if anything, about what they are currently paying in U.S. taxes.

11 Dubious tax benefits are not booked as either a current or a “deferred” tax benefit until and if they lose their dubiousness. In its 2012 annual report, Amgen offers a concise explanation of how dubious tax benefits are treated in financial statements: “We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. . . . The amount of UTBs [unrecognized tax benefits] is adjusted as appropriate for changes in facts and circumstances, such as significant amendments to existing tax law, new regulations or interpretations by the taxing authorities, new information obtained during a tax examination, or resolution of an examination.” Amgen 2015 10-K, p. 54 (pdf p. 56).

12 Companies do provide information on the growth or decline in the amount of dubious tax benefits they have outstanding. This info is not provided on a geographic basis, however. Moreover, it does not distinguish between benefits allowed (which reduces the amount of outstanding dubious tax benefits) and benefits disallowed (which also reduced the amount of outstanding dubious tax benefits). For these two reasons, the currently provided information on dubious tax benefits is useless for our goal of measuring U.S. income taxes paid on U.S. profits.

13 Both current and cash income taxes also include refunds of taxes paid in the past if a company “carries back” “tax losses” to earlier years and gets a refund of previously paid taxes. This can occur even if a company reports book profits. Current and cash income taxes also automatically include payments of taxes “deferred” in the past in the relatively unusual occasions when those “deferred” taxes actually come due and are not offset by additional tax deferrals. (“Deferred taxes” are taxes that are not paid in the current year, but may or may not come due in future years).

14 The good news regarding worldwide “cash income taxes paid” is that, over time, they are usually very similar to worldwide “current income taxes.”

COMPANY-BY-COMPANY NOTES

3M: The foreign-derived intangible income deduction (FDII) reduced taxes by $91 million. The GILTI provision increased taxes by $77 million. The research and experimentation tax credit reduced taxes by $105 million. Excess benefits from stock options reduced federal and state taxes by $100 million.

ABM Industries: The company's fiscal year ended in October of 2018. Current federal income tax was adjusted to exclude the TCJA transition tax. Excess benefits from stock options reduced federal and state taxes by $3.4 million. A tax credit for energy efficient government buildings reduced taxes by $2.8 million.

Activision Blizzard: Current federal income tax was adjusted to exclude a second-round addition to the TCJA transition tax. The research and experimentation tax credit reduced taxes by $46 million. Excess benefits from stock options reduced federal and state taxes by $58 million.

AECOM: The company's fiscal year ends in September of 2018. Pretax income was adjusted to exclude noncontrolling interest income. Current federal income tax was adjusted to exclude the TCJA transition tax. "Income tax credits and incentives" reduced income taxes by $37 million.

Agilent: The company's fiscal year ends in October of 2018. Current federal income tax was adjusted to exclude the TCJA transition tax.

Air Products and Chemicals: The company's fiscal year ends in September of 2018. Current federal income tax was adjusted to exclude the TCJA transition tax. Excess benefits from stock options reduced federal and state taxes by $21.5 million. The company realized a tax savings of $35.7 million from the "restructuring of foreign subsidiaries."

Alaska Air: Accelerated depreciation explains most of the company's tax breaks in 2018.

Alliance Data Systems: Accelerated depreciation reduced income taxes by $41 million.

Amazon: Excess tax benefits from stock options reduced federal and state taxes by $1.6 billion. Tax credits reduced income taxes by $419 million.

Ameren: Accelerated depreciation reduced income taxes by $60 million.

American Express: Pretax U.S. and foreign income are each adjusted to include a share of pretax income that the annual report does not allocate geographically.

AmerisourceBergen: The company's fiscal year ended in September of 2018. Current federal income tax was adjusted to exclude the TCJA transition tax. Excess tax benefits from stock options reduced federal and state taxes by $21 million.

Amphenol: Current federal income tax was adjusted to exclude a second-round adjustment to the TCJA transition tax. Excess tax benefits from stock options reduced federal and state taxes by $19 million.

Andersons: Accelerated depreciation tax breaks explain almost all of the company's negative tax rate. The GILTI provision increased income taxes by less than $1 million. Federal income tax credits reduced income taxes by $1.8 million.

Anixter International: Current federal income tax was adjusted to exclude a second-round adjustment to the TCJA transition tax.

Anthem: The Health Insurance Provider (HIP) Fee increased income taxes by $324 million. Tax-exempt interest reduced income taxes by $27 million.

Archer Daniels Midland: Current federal income tax was adjusted to exclude a second-round adjustment to the TCJA transition tax. Biodiesel tax credits reduced income taxes by $47 million. The GILTI provision increased income taxes by $21 million, while the FDII provision reduced income taxes by $21 million.

Atmos Energy: The company's fiscal year ends in September. Most of the company's tax breaks were due to deferrals related to depreciation.

Ball: Current federal income tax was adjusted to exclude a second-round increase in the TCJA transition tax. The GILTI provision increased taxes by $15 million. The research and experimentation tax credit reduced taxes by $7 million. Excess tax benefits from stock options reduced federal and state taxes by $14 million.

Bank of America: Affordable housing credits, energy credits and other credits reduced income taxes by $1.9 billion. Excess tax benefits from stock options reduced federal and state taxes by $257 million.

Bank of New York Mellon: Current federal income tax was adjusted to exclude a second-round decrease in the TCJA transition tax. Excess tax benefits from stock options reduced federal and state taxes by $31 million. Unspecified "tax credits" reduced income taxes by $171 million.

BB&T: Excess tax benefits from stock options reduced federal and state taxes by $17 million.

Berry Global Group: Current federal income tax was adjusted to exclude the TCJA transition tax. The research and development tax credit reduced income taxes by $7 million. Excess tax benefits from stock options reduced federal and state taxes by $9 million.

Best Buy: The company's fiscal year ended in February of 2019. Current federal income tax was adjusted to exclude a second-round reduction in the TCJA transition tax. Accelerated depreciation reduced income taxes by $21 million.

Big Lots: The company's fiscal year ended in February of 2019. Limits on the deductibility of executive pay increased income taxes by $1.4 million. Accelerated depreciation reduced income taxes by $15 million. The Work Opportunity Tax Credit and other employment credits reduced federal and state taxes by $2.9 million.

Biogen Idec: Current federal income tax was adjusted to exclude a second-round decrease in the TCJA transition tax. The GILTI provision increased taxes by $94 million.

C.H. Robinson: Current federal income tax was adjusted to exclude a second-round increase in the TCJA transition tax.

Campbell Soup: The company's fiscal years end in July of 2018. Reported pretax profits were adjusted upward for a non-cash goodwill impairment. Current federal income tax was adjusted to exclude the TCJA transition tax.

Capital One: Reported pretax profits were adjusted for the timing of payments for credit losses. Affordable housing, new market and other tax credits reduced income taxes by $292 million.

Casey's General Stores: The company's fiscal year ends in April of 2019. Accelerated depreciation reduced income taxes by $42 million. Excess tax benefits from stock options reduced federal and state taxes by $2 million. "Federal tax credits" reduced income taxes by $6 million.

Caterpillar: Current federal income tax was adjusted to exclude a second-round increase in the TCJA transition tax. We disregarded non-cash charges that the company booked to reflect reduced assumptions about the future return on its pension and other retirement plans. Excess tax benefits from stock options reduced federal and state taxes by $56 million. "U.S. tax incentives" reduced income taxes by $106 million.

CBS: Current federal income tax was adjusted to exclude a second-round increase in the TCJA transition tax.

Celanese: Reported total current income taxes were adjusted in order to separate federal and state taxes. The company's income tax note did not distinguish between federal and state taxes, so the study estimated the federal and state share of current U.S. taxes. Accelerated depreciation reduced income taxes by $68 million.

CF Industries Holdings: Pretax income was adjusted to exclude noncontrolling interest income. Excess tax benefits from stock options reduced federal and state taxes by $6 million.

Cigna: The health insurance industry taxes increased taxes by $78 million.

Cintas: Accelerated depreciation reduced income taxes by $33 million. "Permanent differences," including excess tax benefits from stock options, reduced income taxes by $51 million.

Clorox: The company's fiscal year 2018 ends in June of 2019. Current federal income tax was adjusted to exclude a second-round increase in the TCJA transition tax. Excess tax benefits from stock options reduced federal and state taxes by $23 million.

CMS Energy: Accelerated depreciation reduced income taxes by $64 million. The research and experimentation tax credit reduced taxes by $14 million. Production tax credits reduced income taxes by $11 million.

Consol Energy: Excess tax depletion reduced income taxes by $20 million. Research and development tax credits reduced income taxes by $1 million.

Consolidated Edison: Accelerated depreciation explains almost all of the company's tax breaks. Renewable energy credits reduced income taxes by $18 million.

Corning: Deferral explains most of the company's low tax rates.

Costco Wholesale: The company's 2018 fiscal year ends in September of 2018. Current federal income tax was adjusted to exclude the TCJA transition tax.

DaVita: "Political advocacy costs" increased the company's income taxes by $24 million. Accelerated depreciation reduced income taxes by $18 million.

Deere: The company's fiscal years end in October of 2018. Current federal income tax was adjusted to exclude a second-round reduction in the TCJA transition tax. Research and business tax credits reduced taxes by $43 million. Excess tax benefits from stock options reduced federal and state taxes by $49 million.

Delek U.S. Holdings: Income taxes increased by $1.7 due to executive compensation above deductible limits. Excess tax benefits from stock options reduced federal and state taxes by $2.2 million. "Tax credits and incentives" reduced taxes by $8.3 million.

Discovery Communications: The company's high effective tax rate reflects turnarounds of deferred federal income taxes from prior years. Renewable energy investment tax credits reduced income taxes by $12 million. Non-deductible compensation increased income taxes by $20 million.

Dollar General: Because the company does not disclose U.S. and foreign pretax income, the study estimated foreign pretax income based on reported current foreign income taxes. The company's fiscal years end in January of 2019. Jobs credits reduced income taxes by $27 million.

Dollar Tree: The company's 2018 fiscal year ended in February of 2019. Reported pretax profits were adjusted upward for a non-cash goodwill impairment.

Ecolab: Reported total current income taxes were adjusted in order to separate federal and state taxes. Current federal income tax was adjusted to exclude a second-round increase in the TCJA transition tax. The research and experimentation tax credit reduced taxes by $18 million. Excess tax benefits from stock options reduced federal and state taxes by $29 million.

Emerson Electric: The company's fiscal years end in September of 2018. Current federal income tax was adjusted to exclude the TCJA transition tax.

Eversource Energy: Accelerated depreciation provided the company with substantial tax savings. Excess tax benefits from stock options reduced federal and state taxes by $19 million.

Facebook: The research and experimentation tax credit reduced taxes by $254 million. Excess tax benefits from stock options reduced federal and state taxes by $717 million.

FedEx: The company's fiscal year used here ends in May of 2019. We disregarded non-cash charges that the company booked to reflect reduced assumptions about the future return on its pension and other retirement plans.

First Energy: Accelerated depreciation saved the company substantial amounts.

Fiserv: Because the company does not disclose foreign pretax income, the study estimated foreign income based on reported current foreign income taxes. Excess tax benefits from stock options reduced federal and state taxes by $34 million.

Ford Motor Company: General business credits reduced income taxes by $399 million.

Gannett: Deferral explains the company's zero tax rate. Excess tax benefits from stock options also reduced federal and state taxes .

Gap: The company's fiscal years end in February of 2019. Current federal income tax was adjusted to exclude a second-round reduction in the TCJA transition tax. Accelerated depreciation reduced income taxes by $101 million.

General Dynamics: The foreign-derived intangible income deduction (FDII) reduced taxes by $49 million. Domestic tax credits and equity-based compensation each reduced income taxes by $45 million.

General Mills: The company's fiscal year end in May of 2019. Accelerated depreciation reduced income taxes by $48 million. Excess tax benefits from stock options reduced federal and state taxes by $25 million. Pretax income was adjusted upward for a non-cash impairment of intangible assets.

General Motors: General business credits and manufacturing incentives reduced income taxes by $695. Accelerated depreciation reduced income taxes by $680.

Genuine Parts: Current federal income tax was adjusted to exclude a second-round increase in the TCJA transition tax. Excess tax benefits from stock options reduced federal and state taxes by $4.2 million. Depreciation reduced taxes by $5.7 million.

Goodyear Tire & Rubber: Current federal income tax was adjusted to exclude a second-round increase in the TCJA transition tax. Accelerated depreciation reduced taxes by $61 million.

Graybar Electric: Current federal income tax was adjusted to exclude a second-round decrease in the TCJA transition tax.

Group 1 Automotive: Employment credits reduced income taxes by $1.3 million.

H&R Block: The company's fiscal year used here ends in April of 2019. Accelerated depreciation reduced taxes by $1.8 million.

Halliburton: Accelerated depreciation appears to explain most of the company's tax breaks. The company also reduced taxes by $306 million using "a strategic change in the Company's corporate structure."

Harley-Davidson: A turnaround of deferred tax liabilities from prior years is one driver of the company's high tax rate. The research and experimentation tax credit reduced taxes by $8 million. The foreign-derived intangible income deduction (FDII) reduced taxes by $8 million. The GILTI provision increased taxes by $2.7 million. The company paid $3 million due to executive compensation in excess of deductible limits.

Harris: The company's fiscal year used here ends in June of 2019. Harris merged with L3 Technologies after the end of each company's fiscal 2019, so the two companies are presented separately in this report. The research and experimentation tax credit reduced taxes by $50 million. The foreign-derived intangible income deduction reduced taxes by $14 million. Excess tax benefits from stock options reduced federal and state taxes by $24 million.

Hartford Financial: The company paid $11 million due to executive compensation in excess of deductible limits. Tax-exempt interest reduced income taxes by $66 million, and stock-based compensation cut taxes by $5 million.

HCA Holdings: Pretax income was adjusted to exclude noncontrolling interest income. Excess tax benefits from stock options reduced federal and state taxes by $128 million. Depreciation reduced taxes by $80 million.

Henry Schein: The company's high tax rate reflects a turnaround of deferred tax liabilities from prior years. Current federal income tax was adjusted to exclude a second-round reduction in the TCJA transition tax. Excess tax benefits from stock options reduced federal and state taxes by $1 million. The GILTI provision increased taxes by $7.4 million. A "legal entity reorganization outside the U.S." reduced taxes by $14 million.

Hershey: The company's high tax rate reflects a turnaround of deferred tax liabilities from prior years. Current federal income tax was adjusted to exclude a second-round reduction in the TCJA transition tax. Historic and solar tax credits reduced income taxes by $49 million. Accelerated depreciation reduced taxes by $12 million.

Hilton Worldwide Holdings: The company's high tax rate reflects a turnaround of deferred tax liabilities from prior years.

HollyFrontier: Accelerated depreciation reduced taxes by $16 million.

Home Depot: The company's fiscal year used here ends in February of 2019. Current federal income tax was adjusted to exclude a second-round reduction in the TCJA transition tax. Pretax income was adjusted upward for a non-cash impairment of indefinite-lived intangible assets.

Honeywell International: Deferred taxes explain most of the company's tax breaks. Excess tax benefits from stock options reduced federal and state taxes by $52 million.

Hormel Foods: The company's fiscal year used here ends in October of 2018. Because the company does not disclose U.S. and foreign pretax income, the study estimated foreign pretax income based on reported current foreign income taxes. Excess tax benefits from stock options reduced federal and state taxes by $40 million.

Huntington Ingalls: The research and experimentation tax credit reduced taxes by $80 million. Excess tax benefits from stock options reduced federal and state taxes by $5 million.

Huntsman: Current federal income tax was adjusted to exclude a second-round reduction in the TCJA transition tax. The research and experimentation tax credit reduced taxes by $80 million. Excess tax benefits from stock options reduced federal and state taxes by $14 million.

Insight Enterprises: Current federal income tax was adjusted to exclude a second-round reduction in the TCJA transition tax. Research and development tax credits reduced taxes by $4 million. Non-deductible compensation increased federal and state taxes by $1.4 million.

Intercontinental Exchange: Accelerated depreciation reduced income taxes by $34 million.

International Business Machines (IBM): Accelerated depreciation reduced income taxes by $140 million.

International Paper: Current federal income tax was adjusted to exclude a second-round reduction in the TCJA transition tax. The foreign-derived intangible income deduction (FDII) reduced taxes by $25 million. The GILTI provision increased taxes by $19 million. General business credits reduced taxes by $26 million.

Interpublic: The company reports noncontrolling interest income. Pretax income was adjusted to exclude this income. U.S. federal tax credits reduced taxes by $48 million. Excess tax benefits from stock options reduced federal and state taxes by $6.8 million.

Intuit: The research and experimentation tax credit reduced taxes by $38 million. Excess tax benefits from stock options reduced federal and state taxes by $100 million.

ITT: Current federal income tax was adjusted to exclude a second-round reduction in the TCJA transition tax. Tax-exempt interest reduced income taxes by $22 million. Excess tax benefits from stock options reduced federal and state taxes by $2.2 million.

J.B. Hunt Transport Services: Deferred taxes due to accelerated depreciation explain most of the company's tax breaks. Tax benefits from stock options reduced federal and state taxes by $4.9 million.

J.M. Smucker: The company's fiscal year end in April of 2019. Reported pretax profits were adjusted upward for non-cash impairments of goodwill and indefinite-lived intangible assets . Current federal income tax was adjusted to exclude a second-round decrease in the TCJA transition tax.

Jacobs Engineering Group: The company's 2018 fiscal year ended in September of 2018. Current federal income tax was adjusted to exclude the TCJA transition tax.

Jetblue: Accelerated depreciation reduced income taxes by $71 million.

Jones Lang Lasalle: The company's high effective tax rate is due to a large turnaround of deferred income taxes from prior years.

Kellogg: Current federal income tax was adjusted to exclude a second-round decrease in the TCJA transition tax. Deferral explains much of the company's low tax rate. Excess tax benefits from stock options reduced federal and state taxes by $4 million.

Kelly Services: General business credits, primarily the work opportunity credit, reduced income taxes by $23 million. The GILTI provision increased income taxes by $0.5 million. The foreign-derived intangible income (FDII) provision reduced taxes by $0.9 million.

Keycorp: Tax credits reduced income taxes by $234 million. Tax-exempt interest income reduced taxes by $30 million.

Kimberly-Clark: "Routine tax incentives" reduced income taxes by $98 million.

Kohl's: The company's fiscal year 2018e ended in February of 2019. The company's high tax rate is due to a turnaround of deferred income taxes from prior years. Tax credits reduced income taxes by $10 million.

Kroger: The company's fiscal years end in January following the years listed. Tax credits reduced income taxes by $51 million. Excess tax benefits from stock options reduced federal and state taxes by $12 million.

L-3 Communications: The research and experimentation tax credit reduced taxes by $48 million. Excess tax benefits from stock options reduced federal and state taxes by $37 million.

Laboratory Corp. of America: Current federal income tax was adjusted to exclude a second round increase in the TCJA transition tax. The high rate is explained by a turnaround of deferred taxes. Excess tax benefits from stock options reduced federal and state taxes by $10 million. The GILTI provision increased income taxes by $12 million.

Levi Strauss: The company's 2018 fiscal year ended in November of 2018. Current federal income tax was adjusted to exclude the TCJA transition tax.

Lockheed Martin: Because the company does not disclose U.S. and foreign pretax income, the study estimated foreign pretax income based on reported current foreign income taxes. The FDII provision reduced income taxes by $61 million. The research and experimentation tax credit reduced taxes by $138 million. Excess tax benefits from stock options reduced federal and state taxes by $55 million.

Loews: Pretax income was adjusted to exclude noncontrolling interest income. Exempt investment income reduced taxes by $64 million. Accelerated depreciation reduced income taxes by $75 million.

M&T Bank: Qualified affordable housing project federal tax credits reduced income tax by $12 million. Tax-exempt income reduced income tax by $26 million. Excess tax benefits from stock options reduced federal and state taxes by $9 million.

Macy's: The company's fiscal years end in January following the years listed. Federal tax credits reduced income taxes by $16 million. Accelerated depreciation reduced income taxes by $64 million.

Magellan Health: The non-deductible health insurer's fee (HIF) substantially increases the company's effective tax rate. Limits on the deductibility of executive compensation increased taxes by $3 million. Research credits reduced income taxes by $1.7 million. Excess tax benefits from stock options reduced federal and state taxes by $5 million.

Marriott: Excess tax benefits from stock options reduced federal and state taxes by $42 million.

Mastec: Accelerated depreciation explains virtually all of the company's tax breaks in 2018.

Mastercard: Current federal income tax was adjusted to exclude a second round increase in the TCJA transition tax.

McDonalds: Current federal income tax was adjusted to exclude a second-round increase in the TCJA transition tax.

McKesson: The company's fiscal years end in March following the years listed. Pretax income was adjusted to reflect the timing of charges for litigation settlements.

MGM Resorts International: General business credits reduced income taxes by $18 million. Stock-based compensation reduced income taxes by $7.6 million. Accelerated depreciation cut taxes by $59 million.

Mohawk Industries: Current federal income tax was adjusted to exclude a second-round increase in the TCJA transition tax. Deferral of income tax using accelerated depreciation explains most of the company's tax breaks.

Molina Healthcare: The non-deductible health insurer's fee (HIF) substantially increases the company's effective tax rate.

NextEra Energy: Production tax credits and investment tax credits reduced the company's income taxes by $220 million.

Nike: The company's 2018 fiscal years ended in May of 2019. Excess tax benefits from stock options reduced federal and state taxes by $175 million. The federal research and development tax credit reduced taxes by $53 million.

Nvidia: The company's 2018 fiscal year ended in January of 2019. Current federal income tax was reduced to exclude a second-round increase in the TCJA transition tax. The federal research and development tax credit reduced taxes by $141 million.

NVR: Excess tax benefits from stock options reduced federal and state taxes by $77 million.

Occidental Petroleum: The enhanced oil recovery credit reduced taxes by $168 million.

Oracle: The company's fiscal year 2018 ended in May of 2019. Current federal income tax was adjusted to exclude a second-round decrease in the TCJA transition tax. Excess tax benefits from stock options reduced federal and state taxes by $201 million.

O'Reilly Automotive: Accelerated depreciation reduced income taxes by $18 million. Excess tax benefits from stock options reduced federal and state taxes by $34.7 million.

Owens Corning: Current federal income tax was adjusted to exclude a second-round decrease in the TCJA transition tax. The GILTI provision increased taxes by $13 million. Excess tax benefits from stock options reduced federal and state taxes by $14 million. Accelerated depreciation reduced taxes by $25 million.

Owens & Minor: Excess tax benefits from stock options reduced federal and state taxes by $13.7 million.

Penske: Current federal income tax was adjusted to exclude a second-round reduction in the TCJA transition tax. Accelerated depreciation reduced income taxes by $10 million.

Pepsico: Excess tax benefits from stock options reduced federal and state taxes by $48 million.

Polaris Industries: Excess tax benefits from stock options reduced federal and state taxes by $6 million. The research and experimentation tax credit reduced taxes by $13 million.

Principal Financial: Current federal income tax was adjusted to exclude a second-round increase in the TCJA transition tax. Unspecified "tax credits" reduced income taxes by $53 million.

Quanta Services: Accelerated depreciation reduced income taxes by $16 million.

Quest Diagnostics: Pretax income was adjusted to exclude noncontrolling interest income. Deferred taxes reduced the company's tax rate slightly in most years. Excess tax benefits from stock options reduced federal and state taxes by $17.6 million. Accelerated depreciation reduced income taxes by $81 million.

Raytheon: The Foreign-Derived Intangible Income provision (FDII) reduced taxes by $132 million. The research and experimentation tax credit (including prior year claims that were realized in 2018) reduced taxes by $142 million. Excess tax benefits from stock options reduced federal and state taxes by $18 million. An "Irish restructuring" reduced worldwide income taxes by $62 million, although it's impossible to know whether this affected US or foreign taxes.

Regeneron Pharmaceuticals: The Foreign-Derived Intangible Income reduced taxes by $25 million. "Income tax credits" reduced taxes by $66 million. Stock-based compensation reduced income taxes by $64 million.

Reinsurance Group of America: Excess tax benefits from stock options reduced federal and state taxes by $6.1 million. The GILTI provision increased taxes by $10.4 million.

Republic Services: Excess tax benefits from stock options reduced federal and state taxes by $12 million. Accelerated depreciation reduced income taxes by $84 million.

Rockwell Automation: The company's fiscal years end in September. Current federal income tax was adjusted to exclude the TCJA transition tax. R&D tax credits reduced income taxes by $17 million.

SAIC: The company's fiscal year 2018 ended in January of 2019. The research and experimentation tax credit and other credits reduced taxes by $8 million. Excess tax benefits from stock options reduced federal and state taxes by $9 million.

Sealed Air: Current federal income tax was adjusted to exclude the TCJA transition tax. Accelerated depreciation reduced income taxes by $13 million. Tax credits reduced income taxes by $21 million.

Sempra Energy: Pretax income was adjusted to exclude noncontrolling interest income.

Sonic Automotive: The company's high effective tax rate reflects a large turnaround of deferred income taxes from prior years. Non-deductible compensation increased taxes by $2 million.

Southwest Airlines: The company's low rate is almost entirely attributable to deferred taxes due to accelerated depreciation.

Spartan Nash: Deferral, due to accelerated depreciation, explains most of the company's tax breaks.

State Street: Low-income housing credits, production and investment tax credits reduced income taxes by $206 million. Tax-exempt income reduced income taxes by $63 million. The GILTI provision increased taxes by $6 million.

Target: The company's fiscal years ends in February of 2019. Federal tax credits reduced income taxes by $40 million. Excess tax benefits from stock options reduced federal and state taxes by $11 million. Accelerated depreciation was the main factor behind the company's low rate, reducing taxes by $293 million.

Tech Data: The company's fiscal years end in January. Current federal income tax was adjusted to exclude a second-round reduction in the TCJA transition tax. The GILTI provision increased taxes by $3.7 million.

Telephone & Data Systems: Nondeductible compensation increased income taxes by $9 million. Accelerated depreciation reduced income taxes by $22 million.

Tractor Supply Company: Excess tax benefits from stock options reduced federal and state taxes by $4.5 million.

United Natural Foods: The company's fiscal year used here ends in late July of 2018. The company's high tax rate reflects a turnaround of deferred taxes from prior years.

United Parcel Service: Pretax income was adjusted upwards for a mark-to-market charge. Accelerated depreciation saved the company substantial amounts. Excess tax benefits from stock options reduced federal and state taxes by $38 million.

Unum: A turnaround of deferred taxes from prior years explains the company's high rate. Current federal income tax was adjusted to exclude a second-round increase in the TCJA transition tax.

VF: The company's 2018 fiscal year ends in March of 2019. A turnaround of deferred taxes from prior years explains the company's high rate. Current federal income tax was adjusted to exclude a second-round reduction in the TCJA transition tax.

Viacom: The company's 2018 fiscal year ends in September of 2018. Current federal income tax was adjusted to exclude the TCJA transition tax.

Visa: The company's 2018 fiscal year ends in September of 2018. Reported pretax income was adjusted to remove the noncash component of a litigation charge. Current federal income tax was adjusted to exclude the TCJA transition tax.

W.R. Berkley: Reported total current income taxes were adjusted in order to separate federal and state taxes. Tax-exempt investment income reduced taxes by $18 million. The GILTI provision increased taxes by $2.8 million.

W.W. Grainger: Clean energy credits reduced income taxes by $15 million. Excess tax benefits from stock options reduced federal and state taxes by $15 million.

Walgreens Boots Alliance: The company's fiscal year used here ends in August of 2018. Current federal income tax was adjusted to exclude the TCJA transition tax. "Tax credits" reduced income taxes by $412 million.

Wal-Mart: The company's 2018 fiscal year ended in January of 2019. Current federal income tax was adjusted to exclude a second-round increase in the TCJA transition tax. Federal tax credits reduced income taxes by $137 million.

Walt Disney: The company's 2018 fiscal year ended in September of 2018. Current federal income tax was adjusted to exclude the TCJA transition tax.

Waste Management: Current federal income tax was adjusted to exclude a second-round reduction in the TCJA transition tax. The Low Income Housing tax credit, the New Markets Tax Credit, and other federal credits collectively reduced income taxes by $58 million. The company's biggest tax subsidy is related to the accelerated depreciation of property, plant, and equipment. Excess tax benefits from stock options reduced federal and state taxes by $17 million.

WEC Energy Group: Reported total current income taxes were adjusted in order to separate federal and state taxes. Production tax credits reduced income taxes by $12 million.

Wells Fargo: Because the company does not disclose U.S. and foreign pretax income, the study estimated foreign pretax income based on reported current foreign income taxes. Pretax income was adjusted by replacing the company's non-cash "provision for loan losses" with actual "charge-offs, net of recoveries." This adjustment reduced pretax profits in 2018 by $1 billion. Low-income housing and other credits reduced income taxes by $1.5 billion. Tax-exempt interest reduced taxes by $494 million.

Wesco International: Current federal income tax was adjusted to exclude a second-round revision of the TCJA transition tax. "Intercompany financing" reduced income taxes by $15 million. Accelerated depreciation reduced taxes by $4 million.

Western Digital: The company's fiscal year ends in June of 2019. The foreign-derived intangible income deduction (FDII) reduced taxes by $11 million. A "US foreign minimum tax" increased taxes by $38 million. Research and development tax credits reduced income taxes by $24 million.

Westlake Chemical: Accelerated depreciation reduced income taxes by $42 million.

Westrock: The company's fiscal years end in September. Current federal income tax was adjusted to exclude the TCJA transition tax. Excess tax benefits from stock options reduced federal and state taxes by $8 million. Research and development and other tax credits reduced income taxes by $5 million.

Whirlpool: "US government tax incentives" reduced income taxes by $11 million. Current federal income tax was adjusted to exclude a second-round increase in the TCJA transition tax.

Williams: Pretax income was adjusted to exclude noncontrolling income. Reported pretax profits were adjusted upward for a non-cash impairment for the carrying value of oil and gas properties.

Williams Sonoma: Accelerated depreciation reduced income taxes by $14 million. Research and development tax credits reduced income taxes by $9 million.

Xerox: Current federal income tax was adjusted to exclude a second-round increase in the TCJA transition tax. "Tax-exempt income, credits and incentives" reduced income taxes by $12 million. An audit settlement reduced income taxes by $12 million.

Xcel Energy: Wind production tax credits reduced income taxes by $75 million. Accelerated depreciation reduced income taxes by $122 million.

XPO Logistics: Excess tax benefits from stock options reduced federal and state taxes by $22 million. Accelerated depreciation reduced taxes by $44 million. The GILTI provision increased taxes by $8 million.

Yum Brands: Current federal income tax was adjusted to exclude a second-round increase in the TCJA transition tax. Excess tax benefits from stock options reduced federal and state taxes by $47 million. Accelerated depreciation reduced income taxes by $15 million.

Zoetis: The company's above average tax rate reflects a large turnaround of deferred taxes. Current federal income tax was adjusted to exclude a second-round reduction in the TCJA transition tax. The federal research credit reduced taxes by $8 million. Accelerated depreciation reduced income taxes by $34 million. Excess tax benefits from stock options reduced federal and state taxes by $15 million.

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(Alphabetical) Figures in millions of dollars

Company	Profit	Tax	Rate
3M	$3,378.0	$601.0	17.8%
ABM Industries	87.5	–0.2	–0.2%
Activision Blizzard	447.0	–243.0	–54.4%
AECOM Technology	243.6	–186.4	–76.5%
Agilent Technologies	168.0	21.0	12.5%
Air Products & Chemicals	670.8	–17.0	–2.5%
AK Steel Holding	168.6	–0.5	–0.3%
Alaska Air Group	576.0	–5.0	–0.9%
Allegheny Technologies	191.6	1.0	0.5%
Alliance Data Systems	985.5	130.2	13.2%
Allstate	2,744.0	704.0	25.7%
Ally Financial	1,587.0	–12.0	–0.8%
Altria Group	8,922.0	1,911.0	21.4%
Amazon.com	10,835.0	–129.0	–1.2%
Ameren	1,035.0	–10.0	–1.0%
American Electric Power	1,942.7	–31.7	–1.6%
American Express	5,559.9	70.0	1.3%
American Financial Group	700.0	196.0	28.0%
Ameriprise Financial	2,218.0	275.0	12.4%
AmerisourceBergen	665.6	26.9	4.0%
Amgen	4,839.0	1,270.0	26.2%
Amphenol	194.1	17.2	8.8%
AMR	1,884.0	—	—
Anadarko Petroleum	493.0	14.0	2.8%
Analog Devices	584.3	135.3	23.2%
Andersons	46.4	–0.5	–1.2%
Anixter International	158.4	37.0	23.4%
Anthem	4,990.0	1,128.0	22.6%
Apple	24,352.0	4,125.0	16.9%
Applied Materials	417.0	34.0	8.2%
Aramark	314.9	–48.2	–15.3%
Archer Daniels Midland	947.0	125.0	13.2%
Arconic	514.0	45.0	8.8%
Arrow Electronics	166.5	16.0	9.6%
Arthur J. Gallagher	279.8	2.9	1.0%
Asbury Automotive Group	217.7	43.8	20.1%
Assurant	215.8	5.7	2.6%
AT&T	20,871.0	3,258.0	15.6%
Atmos Energy	600.1	–10.1	–1.7%
Automatic Data Processing	2,474.5	464.3	18.8%
AutoNation	502.6	93.0	18.5%

Company	Profit	Tax	Rate
AutoZone	$1,376.6	$329.0	23.9%
Avis Budget Group	78.0	–37.0	–47.4%
Ball	188.0	23.0	12.2%
Bank of America Corp.	30,527.0	816.0	2.7%
Bank of New York Mellon Corp.	2,889.0	938.0	32.5%
Barnes & Noble	10.3	0.2	1.7%
BB&T Corp.	3,909.0	629.0	16.1%
Beacon Roofing Supply	62.6	–4.4	–7.1%
Berry Global Group	365.0	19.0	5.2%
Best Buy	1,499.0	295.0	19.7%
Big Lots	197.2	35.0	17.8%
Biogen Idec	3,831.5	1,166.4	30.4%
BJ's Wholesale Club	127.0	14.6	11.5%
BlackRock	3,450.1	605.0	17.5%
Booz Allen Hamilton Holding	489.2	34.0	7.0%
BorgWarner	214.6	9.5	4.4%
Brighthouse Financial	989.0	–166.0	–16.8%
Bristol-Myers Squibb	2,253.2	456.2	20.2%
Builders FirstSource	255.2	–1.8	–0.7%
Burlington Stores	488.2	47.2	9.7%
C.H. Robinson Worldwide	682.3	148.6	21.8%
Campbell Soup	735.6	31.0	4.2%
Capital One Financial	6,467.2	210.0	3.2%
CarMax	1,063.2	218.5	20.6%
Casey's General Stores	259.5	10.3	4.0%
Caterpillar	2,618.0	129.0	4.9%
CB Richard Ellis Group	764.3	160.7	21.0%
CBS	1,662.0	92.0	5.5%
Celanese	480.0	–141.7	–29.5%
Centene	1,265.0	498.0	39.4%
CenterPoint Energy	505.0	89.0	17.6%
CenturyLink	1,041.0	–576.0	–55.3%
CF Industries Holdings	411.5	5.0	1.2%
Charles Schwab	4,403.0	847.0	19.2%
Charter Communications	1,639.0	23.0	1.4%
Chemours	110.0	23.0	20.9%
Chesapeake Energy	867.0	—	—
Chevron	4,547.0	–181.0	–4.0%
Cigna	2,996.9	804.0	26.8%
Cincinnati Financial	251.0	11.0	4.4%
Cintas	1,020.6	134.2	13.1%

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(Alphabetical) Figures in millions of dollars

Company	Profit	Tax	Rate
CIT Group	$471.4	$29.5	6.3%
Citigroup	7,061.0	834.0	11.8%
Citizens Financial Group	2,089.0	271.0	13.0%
Cliffs Natural Resources	565.0	–0.5	–0.1%
Clorox	888.0	159.0	17.9%
CMS Energy	774.0	–67.0	–8.7%
Cognizant Technology Solutions	876.1	170.1	19.4%
Comcast	13,748.0	2,026.0	14.7%
Commercial Metals	84.5	20.2	23.9%
ConAgra Foods	804.0	125.4	15.6%
ConocoPhillips	2,759.0	4.0	0.1%
Consol Energy	184.4	20.6	11.2%
Consolidated Edison	1,793.0	3.0	0.2%
Constellation Brands	1,600.2	41.7	2.6%
Corning	450.0	274.0	60.9%
Costco Wholesale	2,992.0	494.0	16.5%
CSX	4,160.0	572.0	13.8%
Cummins	977.0	151.0	15.5%
CVR Energy	507.0	31.0	6.1%
CVS Caremark	7,056.0	1,480.0	21.0%
D.R. Horton	2,006.4	373.2	18.6%
Danaher	850.3	238.8	28.1%
Darden Restaurants	760.4	–7.2	–0.9%
DaVita	1,050.6	140.1	13.3%
Deere	2,152.0	–558.0	–25.9%
Delek US Holdings	478.5	121.7	25.4%
Delta Air Lines	5,073.0	–187.0	–3.7%
Devon Energy	1,297.0	–14.0	–1.1%
Dick's Sporting Goods	409.3	94.7	23.1%
Dillard's	205.5	35.0	17.0%
Discover Financial Services	3,391.0	839.0	24.7%
Discovery Communications	1,095.0	323.0	29.5%
DISH Network	2,145.3	44.5	2.1%
Dollar General	1,961.7	320.4	16.3%
Dollar Tree	1,370.2	245.6	17.9%
Dominion Resources	3,021.0	–45.0	–1.5%
Domtar	205.9	28.9	14.0%
Dover	330.7	47.4	14.3%
DowDuPont	217.0	–119.0	–54.8%
DTE Energy	1,215.0	–17.0	–1.4%
Duke Energy	3,029.0	–647.0	–21.4%
DXC Technology	$521.9	$–6.0	–1.1%
eBay	274.5	73.0	26.6%
Ecolab	695.0	4.2	0.6%
Edison International	1,600.0	–57.0	–3.6%
Electronic Arts	165.0	29.0	17.6%
Eli Lilly	597.6	–54.3	–9.1%
Emcor Group	347.3	75.4	21.7%
Emerson Electric	1,600.0	306.0	19.1%
EOG Resources	4,067.1	–303.9	–7.5%
Eversource Energy	1,318.9	106.5	8.1%
Exelon	2,233.0	226.0	10.1%
Expeditors International of Washington	299.9	45.0	15.0%
Exxon Mobil	5,074.0	459.0	9.0%
Facebook	8,624.0	1,747.0	20.3%
FedEx	2,312.5	–107.0	–4.6%
Fidelity National Financial	726.8	40.8	5.6%
Fidelity National Information Services	694.0	169.0	24.4%
Fifth Third Bancorp	2,662.0	463.0	17.4%
First American	559.6	101.4	18.1%
First Data	559.0	–121.0	–21.6%
FirstEnergy	1,495.0	–16.0	–1.1%
Fiserv	1,453.9	189.0	13.0%
Flowserve	86.0	5.2	6.0%
Foot Locker	612.0	112.0	18.3%
Ford Motor	2,057.0	75.0	3.6%
Fortive	679.9	47.2	6.9%
Freeport-McMoRan Copper & Gold	391.0	–75.0	–19.2%
Gannett	6.8	–11.2	–164.2%
Gap	1,142.0	197.0	17.3%
General Dynamics	3,459.0	587.0	17.0%
General Mills	1,895.2	151.9	8.0%
General Motors	4,320.0	–104.0	–2.4%
Genuine Parts	751.3	139.7	18.6%
Gilead Sciences	6,912.0	1,770.6	25.6%
Goodyear Tire & Rubber	440.0	–23.0	–5.2%
Graphic Packaging	284.1	9.1	3.2%
Graybar Electric	156.4	22.9	14.6%
Group 1 Automotive	187.8	35.9	19.1%
H&R Block	377.0	75.0	19.9%
Halliburton	1,082.0	–19.0	–1.8%
Harley-Davidson	570.0	136.2	23.9%

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(Alphabetical) Figures in millions of dollars

Company	Profit	Tax	Rate
Harris	$1,068.0	$105.0	9.8%
Hartford Financial Services	1,753.0	–18.0	–1.0%
HCA Holdings	4,498.0	759.0	16.9%
HD Supply	508.0	—	—
Henry Schein	470.7	103.2	21.9%
Hershey	1,157.4	158.9	13.7%
Hilton	828.0	210.0	25.4%
HollyFrontier	1,483.7	239.6	16.1%
Home Depot	13,159.0	2,557.0	19.4%
Honeywell International	2,830.0	–71.0	–2.5%
Hormel Foods	1,099.5	134.9	12.3%
Humana	2,005.0	139.0	6.9%
Huntington Ingalls Indus-tries	971.0	127.0	13.1%
Huntsman	160.0	20.3	12.7%
Illinois Tool Works	1,708.0	373.0	21.8%
Ingredion	120.0	13.3	11.1%
Insight Enterprises	142.7	19.7	13.8%
Intercontinental Exchange	1,264.0	140.0	11.1%
International Business Machines	500.0	–342.0	–68.4%
International Paper	1,413.0	252.0	17.8%
Interpublic Group	437.6	38.1	8.7%
INTL FCStone	9.4	–10.4	–110.3%
Intuit	1,426.0	197.0	13.8%
J.B. Hunt Transport Services	614.1	22.9	3.7%
J.M. Smucker	827.5	231.4	28.0%
J.P. Morgan Chase & Co.	31,414.0	2,854.0	9.1%
Jacobs Engineering Group	282.7	19.8	7.0%
Jefferies Financial Group	246.7	7.4	3.0%
JetBlue Airways	219.0	–60.0	–27.4%
Jones Lang LaSalle	88.8	39.8	44.8%
KBR	42.0	1.0	2.4%
Kellogg	1,166.0	23.0	2.0%
Kelly Services	50.0	6.1	12.2%
KeyCorp	2,141.0	184.0	8.6%
Kimberly-Clark	1,543.0	177.0	11.5%
Kinder Morgan	1,784.0	–22.0	–1.2%
Kohl's	999.0	229.0	22.9%
Kroger	3,870.0	775.0	20.0%
L-3 Communications	612.0	30.0	4.9%
Laboratory Corp. of America	876.5	211.0	24.1%
Las Vegas Sands	3,162.0	15.0	0.5%
Lear	$726.2	$35.0	4.8%
Leidos Holdings	587.0	54.0	9.2%
Lennar Corporation	2,232.2	246.6	11.0%
Levi Strauss	144.8	–25.0	–17.3%
Liberty Media	1,022.0	14.0	1.4%
Limited Brands	834.0	212.0	25.4%
Lincoln National	1,885.0	91.0	4.8%
Lithia Motors	326.0	30.3	9.3%
LKQ	536.9	100.2	18.7%
Lockheed Martin	5,653.0	975.0	17.2%
Loews	606.0	6.0	1.0%
Lowe's	4,008.9	963.0	24.0%
M&T Bank Corp	2,394.5	408.4	17.1%
Macy's	1,367.0	156.0	11.4%
Magellan health	36.0	13.6	37.7%
ManpowerGroup	192.9	23.2	12.0%
Marathon Oil	643.0	6.0	0.9%
Marathon Petroleum	4,568.0	715.0	15.7%
Marriott International	1,217.0	169.0	13.9%
Marsh & McLennan	378.0	82.0	21.7%
Masco	788.6	126.8	16.1%
Mastec	330.6	26.7	8.1%
MasterCard	3,441.0	627.0	18.2%
McDonald's	2,034.1	217.9	10.7%
McKesson	1,477.0	–10.0	–0.7%
MDU Resources	314.0	–15.9	–5.1%
Merck	3,517.0	412.0	11.7%
MGM Resorts International	648.3	–12.0	–1.8%
Michaels	291.7	61.9	21.2%
Microsoft	15,137.0	4,718.0	31.2%
Mohawk Industries	373.0	–5.5	–1.5%
Molina Healthcare	981.0	272.0	27.7%
Molson Coors	1,325.1	–22.9	–1.7%
Morgan Stanley	7,597.0	686.0	9.0%
Mosaic	320.9	24.5	7.6%
Motorola Solutions	960.0	14.0	1.5%
MRC Global	94.0	25.0	26.6%
Murphy Oil	11.6	–9.8	–84.1%
Murphy USA	273.9	18.4	6.7%
Navistar International	256.0	—	—
NetApp	651.0	31.0	4.8%

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(Alphabetical) Figures in millions of dollars

Company	Profit	Tax	Rate
Netflix	$898.7	$–22.2	–2.5%
News Corp.	97.0	5.0	5.2%
NextEra Energy	7,289.0	30.0	0.4%
Nike	537.0	74.0	13.8%
Nordstrom	736.0	147.0	20.0%
Norfolk Southern	3,338.0	499.0	14.9%
Northern Trust	1,076.0	132.8	12.3%
Northrop Grumman	3,714.0	292.0	7.9%
Nucor	3,063.5	633.9	20.7%
Nvidia	1,843.0	–32.0	–1.7%
NVR	922.7	126.4	13.7%
Occidental Petroleum	3,379.0	–23.0	–0.7%
Office Depot	131.0	3.0	2.3%
Olin	282.9	21.7	7.7%
Oneok	1,516.3	0.3	0.0%
Oracle	3,474.0	1,508.0	43.4%
O'Reilly Automotive	1,634.6	290.0	17.7%
Oshkosh	502.0	72.4	14.4%
Owens Corning	405.0	–5.0	–1.2%
Paccar	1,707.7	272.7	16.0%
Packaging Corp. of America	927.6	150.7	16.2%
Parker Hannifin	1,104.0	146.4	13.3%
Patterson	72.6	0.3	0.4%
Penske Automotive Group	393.2	–13.0	–3.3%
PepsiCo	3,801.0	427.8	11.3%
Performance Food Group	207.3	28.9	13.9%
Phillips	5,461.0	739.0	13.5%
Phillips-Van Heusen	18.1	–30.5	–168.1%
Pioneer Natural Resources	1,249.0	—	—
Pitney Bowes	125.5	–26.3	–21.0%
PNC Financial Services Group	6,252.0	773.0	12.4%
Polaris Industries	341.0	34.1	10.0%
Polo Ralph Lauren	54.7	5.0	9.1%
Post Holdings	368.2	17.0	4.6%
PPG Industries	567.0	7.0	1.2%
PPL	1,110.0	–19.0	–1.7%
Principal Financial	1,640.6	–54.8	–3.3%
Procter & Gamble	5,009.4	1,064.0	21.2%
Progressive	3,163.6	673.1	21.3%
Prudential Financial	1,440.0	–210.0	–14.6%
Public Service Enterprise Group	1,772.0	–97.0	–5.5%
Publix Super Markets	$2,858.1	$413.7	14.5%
PulteGroup	1,340.3	–44.5	–3.3%
Quanta Services	292.5	50.3	17.2%
Quest Diagnostics	849.0	82.0	9.7%
Qurate Retail Group	648.0	126.0	19.4%
Raymond James Financial	1,215.6	248.5	20.4%
Raytheon	2,937.0	245.0	8.3%
Realogy	199.0	–13.0	–6.5%
Regeneron Pharmaceuticals	2,146.9	223.7	10.4%
Regions Financial	1,926.0	175.0	9.1%
Reinsurance Group of America	626.2	78.4	12.5%
Republic Services	1,274.0	128.9	10.1%
Rockwell Automation	703.5	79.5	11.3%
Rockwell Collins	722.5	–40.0	–5.5%
Ross Stores	1,976.4	357.2	18.1%
Ryder System	349.8	–47.3	–13.5%
S&P Global	1,776.0	191.0	10.8%
SAIC	160.0	4.0	2.5%
Salesforce.com	800.0	—	—
Sanmina-SCI	16.2	–0.1	–0.8%
Sealed Air	245.3	6.2	2.5%
Sempra Energy	680.7	6.0	0.9%
Sherwin-Williams	1,307.3	288.8	22.1%
Sonic Automotive	67.9	37.0	54.5%
Southern	2,561.0	167.0	6.5%
Southwest Airlines	3,104.0	338.0	10.9%
SpartanNash	39.6	–1.6	–4.1%
Spirit AeroSystems Holdings	650.9	164.8	25.3%
SPX	66.7	–4.4	–6.6%
Stanley Black & Decker	419.3	36.0	8.6%
Starbucks	4,774.0	–74.8	–1.6%
State Street Corp.	1,191.0	27.0	2.3%
Steel Dynamics	1,577.7	251.4	15.9%
Stryker	479.0	126.2	26.3%
SunTrust Banks	3,264.0	545.0	16.7%
Synchrony Financial	4,366.0	775.0	17.8%
Synnex	174.1	53.4	30.7%
Tapestry	307.0	–24.4	–7.9%
Target	2,826.0	257.0	9.1%
Tech Data	202.8	39.7	19.6%
Telephone & Data Systems	178.0	10.0	5.6%

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(Alphabetical) Figures in millions of dollars

Company	Profit	Tax	Rate
Tenet Healthcare	$251.0	$–6.0	–2.4%
Textron	548.0	3.0	0.5%
Thermo Fisher Scientific	1,270.0	48.0	3.8%
Thor Industries	194.9	48.8	25.0%
Tractor Supply	667.8	123.4	18.5%
Travelers Cos.	3,031.0	424.0	14.0%
Trinity Industries	137.5	–19.1	–13.9%
Tutor Perini	97.5	21.1	21.6%
U.S. Bancorp	8,280.0	1,287.0	15.5%
UGI	446.3	–2.7	–0.6%
Ulta Beauty	829.9	137.3	16.5%
Union Pacific	7,454.0	1,144.0	15.3%
United Continental Holdings	2,519.9	10.4	0.4%
United Natural Foods	192.0	46.2	24.1%
United Parcel Service	5,644.3	89.0	1.6%
United Rentals, Inc.	1,347.0	42.0	3.1%
United States Steel	432.0	–40.0	–9.3%
United Technologies	3,419.0	442.0	12.9%
Univar	34.5	0.8	2.3%
Universal Health Services	997.0	195.9	19.6%
Unum Group	382.4	183.1	47.9%
US Foods	484.0	32.0	6.6%
Valero Energy	2,900.0	432.0	14.9%
Verizon Communications	18,549.0	2,187.0	11.8%
VF	314.6	108.9	34.6%
Viacom	1,319.0	67.0	5.1%
Visa	8,329.0	1,672.0	20.1%
Visteon	76.0	—	—
Voya Financial	612.0	56.0	9.2%
W.R. Berkley	750.1	183.8	24.5%
W.W. Grainger	1,131.0	166.0	14.7%
Walgreens Boots Alliance	3,189.0	116.0	3.6%
Wal-Mart Stores	15,382.0	2,350.0	15.3%
Walt Disney	12,197.4	1,840.0	15.1%
Waste Management	2,103.0	261.0	12.4%
WEC Energy Group	1,139.4	–218.4	–19.2%
WellCare Health Plans	644.7	203.8	31.6%
Wells Fargo	26,718.0	2,382.0	8.9%
Wesco International	191.1	31.8	16.7%
Western Digital	352.0	26.7	7.6%
Westlake Chemical	1,059.0	158.0	14.9%
Westrock	$709.9	$–4.1	–0.6%
Whirlpool	717.0	–110.0	–15.3%
Williams	1,828.0	–83.0	–4.5%
Williams-Sonoma	318.2	43.7	13.7%
Wyndham Worldwide	177.0	34.0	19.2%
Xcel Energy	1,434.0	–34.0	–2.4%
Xerox	341.4	15.0	4.4%
XPO Logistics	313.0	2.0	0.6%
Yum Brands	701.0	31.0	4.4%
Zoetis	905.0	244.0	27.0%
TOTAL	**$765,688**	**$86,845**	**11.3%**

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(By tax rate) Figures in millions of dollars

Company	Profit	Tax	Rate	Company	Profit	Tax	Rate
Corning	$450.0	$274.0	60.9%	Analog Devices	$584.3	$135.3	23.2%
Sonic Automotive	67.9	37.0	54.5%	Dick's Sporting Goods	409.3	94.7	23.1%
Unum Group	382.4	183.1	47.9%	Kohl's	999.0	229.0	22.9%
Jones Lang LaSalle	88.8	39.8	44.8%	Anthem	4,990.0	1,128.0	22.6%
Oracle	3,474.0	1,508.0	43.4%	Sherwin-Williams	1,307.3	288.8	22.1%
Centene	1,265.0	498.0	39.4%	Henry Schein	470.7	103.2	21.9%
Magellan health	36.0	13.6	37.7%	Illinois Tool Works	1,708.0	373.0	21.8%
VF	314.6	108.9	34.6%	C.H. Robinson Worldwide	682.3	148.6	21.8%
Bank of New York Mellon Corp.	2,889.0	938.0	32.5%	Emcor Group	347.3	75.4	21.7%
WellCare Health Plans	644.7	203.8	31.6%	Marsh & McLennan	378.0	82.0	21.7%
Microsoft	15,137.0	4,718.0	31.2%	Tutor Perini	97.5	21.1	21.6%
Synnex	174.1	53.4	30.7%	Altria Group	8,922.0	1,911.0	21.4%
Biogen Idec	3,831.5	1,166.4	30.4%	Progressive	3,163.6	673.1	21.3%
Discovery Communications	1,095.0	323.0	29.5%	Procter & Gamble	5,009.4	1,064.0	21.2%
Danaher	850.3	238.8	28.1%	Michaels	291.7	61.9	21.2%
American Financial Group	700.0	196.0	28.0%	CB Richard Ellis Group	764.3	160.7	21.0%
J.M. Smucker	827.5	231.4	28.0%	CVS Caremark	7,056.0	1,480.0	21.0%
Molina Healthcare	981.0	272.0	27.7%	Chemours	110.0	23.0	20.9%
Zoetis	905.0	244.0	27.0%	Nucor	3,063.5	633.9	20.7%
Cigna	2,996.9	804.0	26.8%	CarMax	1,063.2	218.5	20.6%
MRC Global	94.0	25.0	26.6%	Raymond James Financial	1,215.6	248.5	20.4%
eBay	274.5	73.0	26.6%	Facebook	8,624.0	1,747.0	20.3%
Stryker	479.0	126.2	26.3%	Bristol-Myers Squibb	2,253.2	456.2	20.2%
Amgen	4,839.0	1,270.0	26.2%	Asbury Automotive Group	217.7	43.8	20.1%
Allstate	2,744.0	704.0	25.7%	Visa	8,329.0	1,672.0	20.1%
Gilead Sciences	6,912.0	1,770.6	25.6%	Kroger	3,870.0	775.0	20.0%
Delek US Holdings	478.5	121.7	25.4%	Nordstrom	736.0	147.0	20.0%
Limited Brands	834.0	212.0	25.4%	H&R Block	377.0	75.0	19.9%
Hilton	828.0	210.0	25.4%	Best Buy	1,499.0	295.0	19.7%
Spirit AeroSystems Holdings	650.9	164.8	25.3%	Universal Health Services	997.0	195.9	19.6%
Thor Industries	194.9	48.8	25.0%	Tech Data	202.8	39.7	19.6%
Discover Financial Services	3,391.0	839.0	24.7%	Qurate Retail Group	648.0	126.0	19.4%
W.R. Berkley	750.1	183.8	24.5%	Home Depot	13,159.0	2,557.0	19.4%
Fidelity National Information Services	694.0	169.0	24.4%	Cognizant Technology Solutions	876.1	170.1	19.4%
Laboratory Corp. of America	876.5	211.0	24.1%	Charles Schwab	4,403.0	847.0	19.2%
United Natural Foods	192.0	46.2	24.1%	Wyndham Worldwide	177.0	34.0	19.2%
Lowe's	4,008.9	963.0	24.0%	Group 1 Automotive	187.8	35.9	19.1%
Commercial Metals	84.5	20.2	23.9%	Emerson Electric	1,600.0	306.0	19.1%
AutoZone	1,376.6	329.0	23.9%	Automatic Data Processing	2,474.5	464.3	18.8%
Harley-Davidson	570.0	136.2	23.9%	LKQ	536.9	100.2	18.7%
Anixter International	158.4	37.0	23.4%	Genuine Parts	751.3	139.7	18.6%

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(By tax rate) Figures in millions of dollars

Company	Profit	Tax	Rate	Company	Profit	Tax	Rate
D.R. Horton	$2,006.4	$373.2	18.6%	Cummins	$977.0	$151.0	15.5%
AutoNation	502.6	93.0	18.5%	Union Pacific	7,454.0	1,144.0	15.3%
Tractor Supply	667.8	123.4	18.5%	Wal-Mart Stores	15,382.0	2,350.0	15.3%
Foot Locker	612.0	112.0	18.3%	Walt Disney	12,197.4	1,840.0	15.1%
MasterCard	3,441.0	627.0	18.2%	Expeditors International of Washington	299.9	45.0	15.0%
First American	559.6	101.4	18.1%	Norfolk Southern	3,338.0	499.0	14.9%
Ross Stores	1,976.4	357.2	18.1%	Westlake Chemical	1,059.0	158.0	14.9%
Dollar Tree	1,370.2	245.6	17.9%	Valero Energy	2,900.0	432.0	14.9%
Clorox	888.0	159.0	17.9%	Comcast	13,748.0	2,026.0	14.7%
International Paper	1,413.0	252.0	17.8%	W.W. Grainger	1,131.0	166.0	14.7%
3M	3,378.0	601.0	17.8%	Graybar Electric	156.4	22.9	14.6%
Big Lots	197.2	35.0	17.8%	Publix Super Markets	2,858.1	413.7	14.5%
Synchrony Financial	4,366.0	775.0	17.8%	Oshkosh	502.0	72.4	14.4%
O'Reilly Automotive	1,634.6	290.0	17.7%	Dover	330.7	47.4	14.3%
CenterPoint Energy	505.0	89.0	17.6%	Domtar	205.9	28.9	14.0%
Electronic Arts	165.0	29.0	17.6%	Travelers Cos.	3,031.0	424.0	14.0%
BlackRock	3,450.1	605.0	17.5%	Performance Food Group	207.3	28.9	13.9%
Fifth Third Bancorp	2,662.0	463.0	17.4%	Marriott International	1,217.0	169.0	13.9%
Gap	1,142.0	197.0	17.3%	Insight Enterprises	142.7	19.7	13.8%
Lockheed Martin	5,653.0	975.0	17.2%	Intuit	1,426.0	197.0	13.8%
Quanta Services	292.5	50.3	17.2%	Nike	537.0	74.0	13.8%
M&T Bank Corp	2,394.5	408.4	17.1%	CSX	4,160.0	572.0	13.8%
Dillard's	205.5	35.0	17.0%	Williams-Sonoma	318.2	43.7	13.7%
General Dynamics	3,459.0	587.0	17.0%	Hershey	1,157.4	158.9	13.7%
Apple	24,352.0	4,125.0	16.9%	NVR	922.7	126.4	13.7%
HCA Holdings	4,498.0	759.0	16.9%	Phillips	5,461.0	739.0	13.5%
SunTrust Banks	3,264.0	545.0	16.7%	DaVita	1,050.6	140.1	13.3%
Wesco International	191.1	31.8	16.7%	Parker Hannifin	1,104.0	146.4	13.3%
Ulta Beauty	829.9	137.3	16.5%	Alliance Data Systems	985.5	130.2	13.2%
Costco Wholesale	2,992.0	494.0	16.5%	Archer Daniels Midland	947.0	125.0	13.2%
Dollar General	1,961.7	320.4	16.3%	Cintas	1,020.6	134.2	13.1%
Packaging Corp. of America	927.6	150.7	16.2%	Huntington Ingalls Industries	971.0	127.0	13.1%
HollyFrontier	1,483.7	239.6	16.1%	Fiserv	1,453.9	189.0	13.0%
BB&T Corp.	3,909.0	629.0	16.1%	Citizens Financial Group	2,089.0	271.0	13.0%
Masco	788.6	126.8	16.1%	United Technologies	3,419.0	442.0	12.9%
Paccar	1,707.7	272.7	16.0%	Huntsman	160.0	20.3	12.7%
Steel Dynamics	1,577.7	251.4	15.9%	Reinsurance Group of America	626.2	78.4	12.5%
Marathon Petroleum	4,568.0	715.0	15.7%	Agilent Technologies	168.0	21.0	12.5%
AT&T	20,871.0	3,258.0	15.6%	Waste Management	2,103.0	261.0	12.4%
ConAgra Foods	804.0	125.4	15.6%	Ameriprise Financial	2,218.0	275.0	12.4%
U.S. Bancorp	8,280.0	1,287.0	15.5%	PNC Financial Services Group	6,252.0	773.0	12.4%

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(By tax rate) Figures in millions of dollars

Company	Profit	Tax	Rate	Company	Profit	Tax	Rate
Northern Trust	$1,076.0	$132.8	12.3%	KeyCorp	$2,141.0	$184.0	8.6%
Hormel Foods	1,099.5	134.9	12.3%	Stanley Black & Decker	419.3	36.0	8.6%
Ball	188.0	23.0	12.2%	Raytheon	2,937.0	245.0	8.3%
Kelly Services	50.0	6.1	12.2%	Applied Materials	417.0	34.0	8.2%
ManpowerGroup	192.9	23.2	12.0%	Mastec	330.6	26.7	8.1%
Citigroup	7,061.0	834.0	11.8%	Eversource Energy	1,318.9	106.5	8.1%
Verizon Communications	18,549.0	2,187.0	11.8%	General Mills	1,895.2	151.9	8.0%
Merck	3,517.0	412.0	11.7%	Northrop Grumman	3,714.0	292.0	7.9%
BJ's Wholesale Club	127.0	14.6	11.5%	Olin	282.9	21.7	7.7%
Kimberly-Clark	1,543.0	177.0	11.5%	Mosaic	320.9	24.5	7.6%
Macy's	1,367.0	156.0	11.4%	Western Digital	352.0	26.7	7.6%
Rockwell Automation	703.5	79.5	11.3%	Jacobs Engineering Group	282.7	19.8	7.0%
PepsiCo	3,801.0	427.8	11.3%	Booz Allen Hamilton Holding	489.2	34.0	7.0%
Consol Energy	184.4	20.6	11.2%	Fortive	679.9	47.2	6.9%
Intercontinental Exchange	1,264.0	140.0	11.1%	Humana	2,005.0	139.0	6.9%
Ingredion	120.0	13.3	11.1%	Murphy USA	273.9	18.4	6.7%
Lennar Corporation	2,232.2	246.6	11.0%	US Foods	484.0	32.0	6.6%
Southwest Airlines	3,104.0	338.0	10.9%	Southern	2,561.0	167.0	6.5%
S&P Global	1,776.0	191.0	10.8%	CIT Group	471.4	29.5	6.3%
McDonald's	2,034.1	217.9	10.7%	CVR Energy	507.0	31.0	6.1%
Regeneron Pharmaceuticals	2,146.9	223.7	10.4%	Flowserve	86.0	5.2	6.0%
Exelon	2,233.0	226.0	10.1%	Telephone & Data Systems	178.0	10.0	5.6%
Republic Services	1,274.0	128.9	10.1%	Fidelity National Financial	726.8	40.8	5.6%
Polaris Industries	341.0	34.1	10.0%	CBS	1,662.0	92.0	5.5%
Harris	1,068.0	105.0	9.8%	Berry Global Group	365.0	19.0	5.2%
Burlington Stores	488.2	47.2	9.7%	News Corp.	97.0	5.0	5.2%
Quest Diagnostics	849.0	82.0	9.7%	Viacom	1,319.0	67.0	5.1%
Arrow Electronics	166.5	16.0	9.6%	Caterpillar	2,618.0	129.0	4.9%
Lithia Motors	326.0	30.3	9.3%	L-3 Communications	612.0	30.0	4.9%
Leidos Holdings	587.0	54.0	9.2%	Lincoln National	1,885.0	91.0	4.8%
Voya Financial	612.0	56.0	9.2%	Lear	726.2	35.0	4.8%
Polo Ralph Lauren	54.7	5.0	9.1%	NetApp	651.0	31.0	4.8%
Target	2,826.0	257.0	9.1%	Post Holdings	368.2	17.0	4.6%
Regions Financial	1,926.0	175.0	9.1%	BorgWarner	214.6	9.5	4.4%
J.P. Morgan Chase & Co.	31,414.0	2,854.0	9.1%	Yum Brands	701.0	31.0	4.4%
Exxon Mobil	5,074.0	459.0	9.0%	Xerox	341.4	15.0	4.4%
Morgan Stanley	7,597.0	686.0	9.0%	Cincinnati Financial	251.0	11.0	4.4%
Wells Fargo	26,718.0	2,382.0	8.9%	Campbell Soup	735.6	31.0	4.2%
Amphenol	194.1	17.2	8.8%	AmerisourceBergen	665.6	26.9	4.0%
Arconic	514.0	45.0	8.8%	Casey's General Stores	259.5	10.3	4.0%
Interpublic Group	437.6	38.1	8.7%	Thermo Fisher Scientific	1,270.0	48.0	3.8%

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(By tax rate) Figures in millions of dollars

Company	Profit	Tax	Rate
J.B. Hunt Transport Services	$614.1	$22.9	3.7%
Ford Motor	2,057.0	75.0	3.6%
Walgreens Boots Alliance	3,189.0	116.0	3.6%
Capital One Financial	6,467.2	210.0	3.2%
Graphic Packaging	284.1	9.1	3.2%
United Rentals, Inc.	1,347.0	42.0	3.1%
Jefferies Financial Group	246.7	7.4	3.0%
Anadarko Petroleum	493.0	14.0	2.8%
Bank of America Corp.	30,527.0	816.0	2.7%
Assurant	215.8	5.7	2.6%
Constellation Brands	1,600.2	41.7	2.6%
Sealed Air	245.3	6.2	2.5%
SAIC	160.0	4.0	2.5%
KBR	42.0	1.0	2.4%
Univar	34.5	0.8	2.3%
Office Depot	131.0	3.0	2.3%
State Street Corp.	1,191.0	27.0	2.3%
DISH Network	2,145.3	44.5	2.1%
Kellogg	1,166.0	23.0	2.0%
Barnes & Noble	10.3	0.2	1.7%
United Parcel Service	5,644.3	89.0	1.6%
Motorola Solutions	960.0	14.0	1.5%
Charter Communications	1,639.0	23.0	1.4%
Liberty Media	1,022.0	14.0	1.4%
American Express	5,559.9	70.0	1.3%
PPG Industries	567.0	7.0	1.2%
CF Industries Holdings	411.5	5.0	1.2%
Arthur J. Gallagher	279.8	2.9	1.0%
Loews	606.0	6.0	1.0%
Marathon Oil	643.0	6.0	0.9%
Sempra Energy	680.7	6.0	0.9%
XPO Logistics	313.0	2.0	0.6%
Ecolab	695.0	4.2	0.6%
Textron	548.0	3.0	0.5%
Allegheny Technologies	191.6	1.0	0.5%
Las Vegas Sands	3,162.0	15.0	0.5%
Patterson	72.6	0.3	0.4%
United Continental Holdings	2,519.9	10.4	0.4%
NextEra Energy	7,289.0	30.0	0.4%
Consolidated Edison	1,793.0	3.0	0.2%
ConocoPhillips	2,759.0	4.0	0.1%

Company	Profit	Tax	Rate
Oneok	$1,516.3	$0.3	0.0%
AMR	1,884.0	—	—
Chesapeake Energy	867.0	—	—
HD Supply	508.0	—	—
Navistar International	256.0	—	—
Pioneer Natural Resources	1,249.0	—	—
Salesforce.com	800.0	—	—
Visteon	76.0	—	—
Cliffs Natural Resources	565.0	–0.5	–0.1%
ABM Industries	87.5	–0.2	–0.2%
AK Steel Holding	168.6	–0.5	–0.3%
Westrock	709.9	–4.1	–0.6%
UGI	446.3	–2.7	–0.6%
McKesson	1,477.0	–10.0	–0.7%
Occidental Petroleum	3,379.0	–23.0	–0.7%
Builders FirstSource	255.2	–1.8	–0.7%
Sanmina-SCI	16.2	–0.1	–0.8%
Ally Financial	1,587.0	–12.0	–0.8%
Alaska Air Group	576.0	–5.0	–0.9%
Darden Restaurants	760.4	–7.2	–0.9%
Ameren	1,035.0	–10.0	–1.0%
Hartford Financial Services	1,753.0	–18.0	–1.0%
FirstEnergy	1,495.0	–16.0	–1.1%
Devon Energy	1,297.0	–14.0	–1.1%
DXC Technology	521.9	–6.0	–1.1%
Andersons	46.4	–0.5	–1.2%
Amazon.com	10,835.0	–129.0	–1.2%
Kinder Morgan	1,784.0	–22.0	–1.2%
Owens Corning	405.0	–5.0	–1.2%
DTE Energy	1,215.0	–17.0	–1.4%
Mohawk Industries	373.0	–5.5	–1.5%
Dominion Resources	3,021.0	–45.0	–1.5%
Starbucks	4,774.0	–74.8	–1.6%
American Electric Power	1,942.7	–31.7	–1.6%
Atmos Energy	600.1	–10.1	–1.7%
PPL	1,110.0	–19.0	–1.7%
Molson Coors	1,325.1	–22.9	–1.7%
Nvidia	1,843.0	–32.0	–1.7%
Halliburton	1,082.0	–19.0	–1.8%
MGM Resorts International	648.3	–12.0	–1.8%
Xcel Energy	1,434.0	–34.0	–2.4%

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(By tax rate) Figures in millions of dollars

Company	Profit	Tax	Rate
Tenet Healthcare	$251.0	$–6.0	–2.4%
General Motors	4,320.0	–104.0	–2.4%
Netflix	898.7	–22.2	–2.5%
Honeywell International	2,830.0	–71.0	–2.5%
Air Products & Chemicals	670.8	–17.0	–2.5%
Penske Automotive Group	393.2	–13.0	–3.3%
PulteGroup	1,340.3	–44.5	–3.3%
Principal Financial	1,640.6	–54.8	–3.3%
Edison International	1,600.0	–57.0	–3.6%
Delta Air Lines	5,073.0	–187.0	–3.7%
Chevron	4,547.0	–181.0	–4.0%
SpartanNash	39.6	–1.6	–4.1%
Williams	1,828.0	–83.0	–4.5%
FedEx	2,312.5	–107.0	–4.6%
MDU Resources	314.0	–15.9	–5.1%
Goodyear Tire & Rubber	440.0	–23.0	–5.2%
Public Service Enterprise Group	1,772.0	–97.0	–5.5%
Rockwell Collins	722.5	–40.0	–5.5%
Realogy	199.0	–13.0	–6.5%
SPX	66.7	–4.4	–6.6%
Beacon Roofing Supply	62.6	–4.4	–7.1%
EOG Resources	4,067.1	–303.9	–7.5%
Tapestry	307.0	–24.4	–7.9%
CMS Energy	774.0	–67.0	–8.7%
Eli Lilly	597.6	–54.3	–9.1%
United States Steel	432.0	–40.0	–9.3%
Ryder System	349.8	–47.3	–13.5%
Trinity Industries	137.5	–19.1	–13.9%
Prudential Financial	1,440.0	–210.0	–14.6%
Aramark	314.9	–48.2	–15.3%
Whirlpool	717.0	–110.0	–15.3%
Brighthouse Financial	989.0	–166.0	–16.8%
Levi Strauss	144.8	–25.0	–17.3%
WEC Energy Group	1,139.4	–218.4	–19.2%
Freeport-McMoRan Copper & Gold	391.0	–75.0	–19.2%
Pitney Bowes	125.5	–26.3	–21.0%
Duke Energy	3,029.0	–647.0	–21.4%
First Data	559.0	–121.0	–21.6%
Deere	2,152.0	–558.0	–25.9%
JetBlue Airways	219.0	–60.0	–27.4%
Celanese	480.0	–141.7	–29.5%
Avis Budget Group	$78.0	$–37.0	–47.4%
Activision Blizzard	447.0	–243.0	–54.4%
DowDuPont	217.0	–119.0	–54.8%
CenturyLink	1,041.0	–576.0	–55.3%
International Business Machines	500.0	–342.0	–68.4%
AECOM Technology	243.6	–186.4	–76.5%
Murphy Oil	11.6	–9.8	–84.1%
INTL FCStone	9.4	–10.4	–110.3%
Gannett	6.8	–11.2	–164.2%
Phillips-Van Heusen	18.1	–30.5	–168.1%
TOTAL	**$765,688**	**$86,845**	**11.3%**

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(by Industry) Figures in millions of dollars

Company	Profit	Tax	Rate
AEROSPACE & DEFENSE			
Rockwell Collins	$722.5	$–40.0	–5.5%
Textron	548.0	3.0	0.5%
SAIC	160.0	4.0	2.5%
L-3 Communications	612.0	30.0	4.9%
Northrop Grumman	3,714.0	292.0	7.9%
Raytheon	2,937.0	245.0	8.3%
Arconic	514.0	45.0	8.8%
United Technologies	3,419.0	442.0	12.9%
Huntington Ingalls Industries	971.0	127.0	13.1%
General Dynamics	3,459.0	587.0	17.0%
Lockheed Martin	5,653.0	975.0	17.2%
Spirit AeroSystems Holdings	650.9	164.8	25.3%
TOTAL Aerospace & defense	**$23,360.4**	**$2,874.8**	**12.3%**
CHEMICALS			
DowDuPont	$217.0	$–119.0	–54.8%
Celanese	480.0	–141.7	–29.5%
Air Products & Chemicals	670.8	–17.0	–2.5%
Ecolab	695.0	4.2	0.6%
CF Industries Holdings	411.5	5.0	1.2%
PPG Industries	567.0	7.0	1.2%
Mosaic	320.9	24.5	7.6%
Olin	282.9	21.7	7.7%
Huntsman	160.0	20.3	12.7%
Westlake Chemical	1,059.0	158.0	14.9%
Chemours	110.0	23.0	20.9%
Sherwin-Williams	1,307.3	288.8	22.1%
TOTAL Chemicals	**$6,281.4**	**$274.8**	**4.4%**

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(by Industry) Figures in millions of dollars

Company	Profit	Tax	Rate
COMPUTERS, OFFICE EQUIP, SOFTWARE, DATA			
International Business Machines	$500.0	$–342.0	–68.4%
Activision Blizzard	447.0	–243.0	–54.4%
Pitney Bowes	125.5	–26.3	–21.0%
DXC Technology	521.9	–6.0	–1.1%
Sanmina-SCI	16.2	–0.1	–0.8%
Salesforce.com	800.0	—	—
Motorola Solutions	960.0	14.0	1.5%
Xerox	341.4	15.0	4.4%
NetApp	651.0	31.0	4.8%
Booz Allen Hamilton Holding	489.2	34.0	7.0%
Western Digital	352.0	26.7	7.6%
Applied Materials	417.0	34.0	8.2%
Leidos Holdings	587.0	54.0	9.2%
Harris	1,068.0	105.0	9.8%
Apple	24,352.0	4,125.0	16.9%
Electronic Arts	165.0	29.0	17.6%
Cognizant Technology Solutions	876.1	170.1	19.4%
Analog Devices	584.3	135.3	23.2%
Microsoft	15,137.0	4,718.0	31.2%
Oracle	3,474.0	1,508.0	43.4%
Corning	450.0	274.0	60.9%
TOTAL Computers, office equip, software, data	**$52,314.5**	**$10,655.7**	**20.4%**
ENGINEERING & CONSTRUCTION			
AECOM Technology	$243.6	$–186.4	–76.5%
Jacobs Engineering Group	282.7	19.8	7.0%
Mastec	330.6	26.7	8.1%
Lennar Corporation	2,232.2	246.6	11.0%
NVR	922.7	126.4	13.7%
Quanta Services	292.5	50.3	17.2%
Tutor Perini	97.5	21.1	21.6%
Emcor Group	347.3	75.4	21.7%
TOTAL Engineering & construction	**$4,749.1**	**$379.9**	**8.0%**

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(by Industry) Figures in millions of dollars

Company	Profit	Tax	Rate
FINANCIAL			
INTL FCStone	$9.4	$–10.4	–110.3%
First Data	559.0	–121.0	–21.6%
Brighthouse Financial	989.0	–166.0	–16.8%
Prudential Financial	1,440.0	–210.0	–14.6%
Principal Financial	1,640.6	–54.8	–3.3%
Hartford Financial Services	1,753.0	–18.0	–1.0%
Ally Financial	1,587.0	–12.0	–0.8%
Loews	606.0	6.0	1.0%
Arthur J. Gallagher	279.8	2.9	1.0%
State Street Corp.	1,191.0	27.0	2.3%
Assurant	215.8	5.7	2.6%
Bank of America Corp.	30,527.0	816.0	2.7%
Jefferies Financial Group	246.7	7.4	3.0%
Capital One Financial	6,467.2	210.0	3.2%
Cincinnati Financial	251.0	11.0	4.4%
Lincoln National	1,885.0	91.0	4.8%
Fidelity National Financial	726.8	40.8	5.6%
CIT Group	471.4	29.5	6.3%
KeyCorp	2,141.0	184.0	8.6%
Wells Fargo	26,718.0	2,382.0	8.9%
Morgan Stanley	7,597.0	686.0	9.0%
J.P. Morgan Chase & Co.	31,414.0	2,854.0	9.1%
Regions Financial	1,926.0	175.0	9.1%
Voya Financial	612.0	56.0	9.2%
Intercontinental Exchange	1,264.0	140.0	11.1%
Citigroup	7,061.0	834.0	11.8%
Northern Trust	1,076.0	132.8	12.3%
PNC Financial Services Group	6,252.0	773.0	12.4%
Ameriprise Financial	2,218.0	275.0	12.4%
Reinsurance Group of America	626.2	78.4	12.5%
Citizens Financial Group	2,089.0	271.0	13.0%
Intuit	1,426.0	197.0	13.8%
Travelers Cos.	3,031.0	424.0	14.0%
U.S. Bancorp	8,280.0	1,287.0	15.5%
BB&T Corp.	3,909.0	629.0	16.1%
SunTrust Banks	3,264.0	545.0	16.7%
M&T Bank Corp	2,394.5	408.4	17.1%
Fifth Third Bancorp	2,662.0	463.0	17.4%
BlackRock	3,450.1	605.0	17.5%
Synchrony Financial	4,366.0	775.0	17.8%
First American	559.6	101.4	18.1%
Charles Schwab	4,403.0	847.0	19.2%
H&R Block	377.0	75.0	19.9%
Raymond James Financial	1,215.6	248.5	20.4%

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(by Industry) Figures in millions of dollars

Company	Profit	Tax	Rate
FINANCIAL, CONTINUED			
Progressive	$3,163.6	$673.1	21.3%
Marsh & McLennan	378.0	82.0	21.7%
Fidelity National Information Services	694.0	169.0	24.4%
W.R. Berkley	750.1	183.8	24.5%
Discover Financial Services	3,391.0	839.0	24.7%
Allstate	2,744.0	704.0	25.7%
American Financial Group	700.0	196.0	28.0%
Bank of New York Mellon Corp.	2,889.0	938.0	32.5%
Unum Group	382.4	183.1	47.9%
TOTAL Financial	**$196,269.7**	**$20,069.6**	**10.2%**
FINANCIAL DATA SERVICES			
American Express	$5,559.9	$70.0	1.3%
Fiserv	1,453.9	189.0	13.0%
Alliance Data Systems	985.5	130.2	13.2%
MasterCard	3,441.0	627.0	18.2%
Visa	8,329.0	1,672.0	20.1%
TOTAL Financial data services	**$19,769.3**	**$2,688.2**	**13.6%**
FOOD & BEVERAGES & TOBACCO			
Molson Coors	$1,325.1	$–22.9	–1.7%
Kellogg	1,166.0	23.0	2.0%
Constellation Brands	1,600.2	41.7	2.6%
Campbell Soup	735.6	31.0	4.2%
Post Holdings	368.2	17.0	4.6%
General Mills	1,895.2	151.9	8.0%
Ingredion	120.0	13.3	11.1%
PepsiCo	3,801.0	427.8	11.3%
Hormel Foods	1,099.5	134.9	12.3%
Archer Daniels Midland	947.0	125.0	13.2%
Hershey	1,157.4	158.9	13.7%
ConAgra Foods	804.0	125.4	15.6%
Altria Group	8,922.0	1,911.0	21.4%
J.M. Smucker	827.5	231.4	28.0%
TOTAL Food & beverages & tobacco	**$24,768.8**	**$3,369.4**	**13.6%**

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(by Industry) Figures in millions of dollars

Company	Profit	Tax	Rate
HEALTHCARE			
Tenet Healthcare	$251.0	$–6.0	–2.4%
Humana	2,005.0	139.0	6.9%
Quest Diagnostics	849.0	82.0	9.7%
DaVita	1,050.6	140.1	13.3%
HCA Holdings	4,498.0	759.0	16.9%
Universal Health Services	997.0	195.9	19.6%
Anthem	4,990.0	1,128.0	22.6%
Laboratory Corp. of America	876.5	211.0	24.1%
Cigna	2,996.9	804.0	26.8%
Molina Healthcare	981.0	272.0	27.7%
WellCare Health Plans	644.7	203.8	31.6%
Magellan health	36.0	13.6	37.7%
Centene	1,265.0	498.0	39.4%
TOTAL Healthcare	**$21,440.7**	**$4,440.3**	**20.7%**
HOUSEHOLD & PERSONAL PRODUCTS			
Kimberly-Clark	$1,543.0	$177.0	11.5%
Clorox	888.0	159.0	17.9%
Procter & Gamble	5,009.4	1,064.0	21.2%
TOTAL Household & personal products	**$7,440.4**	**$1,400.0**	**18.8%**
INDUSTRIAL MACHINERY			
Deere	$2,152.0	$–558.0	–25.9%
SPX	66.7	–4.4	–6.6%
Honeywell International	2,830.0	–71.0	–2.5%
Caterpillar	2,618.0	129.0	4.9%
Flowserve	86.0	5.2	6.0%
Fortive	679.9	47.2	6.9%
Stanley Black & Decker	419.3	36.0	8.6%
Parker Hannifin	1,104.0	146.4	13.3%
Dover	330.7	47.4	14.3%
Cummins	977.0	151.0	15.5%
TOTAL Industrial Machinery	**$11,263.5**	**$–71.2**	**–0.6%**
INTERNET SERVICES & RETAILING			
Qurate Retail Group	$648.0	$126.0	19.4%
Facebook	8,624.0	1,747.0	20.3%
TOTAL Internet services & retailing	**$9,272.0**	**$1,873.0**	**20.2%**

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(by Industry) Figures in millions of dollars

Company	Profit	Tax	Rate
METALS & METAL PRODUCTS			
United States Steel	$432.0	$–40.0	–9.3%
AK Steel Holding	168.6	–0.5	–0.3%
Agilent Technologies	168.0	21.0	12.5%
Steel Dynamics	1,577.7	251.4	15.9%
Masco	788.6	126.8	16.1%
Nucor	3,063.5	633.9	20.7%
Commercial Metals	84.5	20.2	23.9%
TOTAL Metals & metal products	**$6,282.8**	**$1,012.8**	**16.1%**
MISCELLANEOUS MANUFACTURING			
Phillips-Van Heusen	$18.1	$–30.5	–168.1%
Levi Strauss	144.8	–25.0	–17.3%
Whirlpool	717.0	–110.0	–15.3%
Trinity Industries	137.5	–19.1	–13.9%
PulteGroup	1,340.3	–44.5	–3.3%
Nvidia	1,843.0	–32.0	–1.7%
Mohawk Industries	373.0	–5.5	–1.5%
Owens Corning	405.0	–5.0	–1.2%
Builders FirstSource	255.2	–1.8	–0.7%
Westrock	709.9	–4.1	–0.6%
Navistar International	256.0	—	—
Allegheny Technologies	191.6	1.0	0.5%
Sealed Air	245.3	6.2	2.5%
Graphic Packaging	284.1	9.1	3.2%
Thermo Fisher Scientific	1,270.0	48.0	3.8%
Berry Global Group	365.0	19.0	5.2%
Amphenol	194.1	17.2	8.8%
Polo Ralph Lauren	54.7	5.0	9.1%
Rockwell Automation	703.5	79.5	11.3%
Ball	188.0	23.0	12.2%
Cintas	1,020.6	134.2	13.1%
Nike	537.0	74.0	13.8%
Domtar	205.9	28.9	14.0%
Paccar	1,707.7	272.7	16.0%
Packaging Corp. of America	927.6	150.7	16.2%
3M	3,378.0	601.0	17.8%
International Paper	1,413.0	252.0	17.8%
D.R. Horton	2,006.4	373.2	18.6%
Emerson Electric	1,600.0	306.0	19.1%
Illinois Tool Works	1,708.0	373.0	21.8%
Harley-Davidson	570.0	136.2	23.9%
Danaher	850.3	238.8	28.1%
VF	314.6	108.9	34.6%
TOTAL Miscellaneous manufacturing	**$25,935.2**	**$2,980.0**	**11.5%**

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(by Industry) Figures in millions of dollars

Company	Profit	Tax	Rate
MISCELLANEOUS SERVICES			
Aramark	$314.9	$–48.2	–15.3%
Realogy	199.0	–13.0	–6.5%
FedEx	2,312.5	–107.0	–4.6%
MGM Resorts International	648.3	–12.0	–1.8%
Starbucks	4,774.0	–74.8	–1.6%
Darden Restaurants	760.4	–7.2	–0.9%
ABM Industries	87.5	–0.2	–0.2%
Las Vegas Sands	3,162.0	15.0	0.5%
Liberty Media	1,022.0	14.0	1.4%
United Parcel Service	5,644.3	89.0	1.6%
KBR	42.0	1.0	2.4%
United Rentals, Inc.	1,347.0	42.0	3.1%
Yum Brands	701.0	31.0	4.4%
Viacom	1,319.0	67.0	5.1%
CBS	1,662.0	92.0	5.5%
Interpublic Group	437.6	38.1	8.7%
Republic Services	1,274.0	128.9	10.1%
McDonald's	2,034.1	217.9	10.7%
ManpowerGroup	192.9	23.2	12.0%
Kelly Services	50.0	6.1	12.2%
Waste Management	2,103.0	261.0	12.4%
Marriott International	1,217.0	169.0	13.9%
Walt Disney	12,197.4	1,840.0	15.1%
Automatic Data Processing	2,474.5	464.3	18.8%
Wyndham Worldwide	177.0	34.0	19.2%
CB Richard Ellis Group	764.3	160.7	21.0%
Hilton	828.0	210.0	25.4%
eBay	274.5	73.0	26.6%
Discovery Communications	1,095.0	323.0	29.5%
Jones Lang LaSalle	88.8	39.8	44.8%
TOTAL Miscellaneous services	**$49,204.0**	**$4,077.6**	**8.3%**

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(by Industry) Figures in millions of dollars

Company	Profit	Tax	Rate
MOTOR VEHICLES & PARTS			
Goodyear Tire & Rubber	$440.0	$–23.0	–5.2%
Penske Automotive Group	393.2	–13.0	–3.3%
General Motors	4,320.0	–104.0	–2.4%
Visteon	76.0	—	—
Ford Motor	2,057.0	75.0	3.6%
BorgWarner	214.6	9.5	4.4%
Lear	726.2	35.0	4.8%
Polaris Industries	341.0	34.1	10.0%
Oshkosh	502.0	72.4	14.4%
Thor Industries	194.9	48.8	25.0%
TOTAL Motor vehicles & parts	**$9,264.9**	**$134.7**	**1.5%**
OIL, GAS & PIPELINES			
Murphy Oil	$11.6	$–9.8	–84.1%
Freeport-McMoRan Copper & Gold	391.0	–75.0	–19.2%
EOG Resources	4,067.1	–303.9	–7.5%
MDU Resources	314.0	–15.9	–5.1%
Williams	1,828.0	–83.0	–4.5%
Chevron	4,547.0	–181.0	–4.0%
Halliburton	1,082.0	–19.0	–1.8%
Kinder Morgan	1,784.0	–22.0	–1.2%
Devon Energy	1,297.0	–14.0	–1.1%
Occidental Petroleum	3,379.0	–23.0	–0.7%
Cliffs Natural Resources	565.0	–0.5	–0.1%
Chesapeake Energy	867.0	—	—
Pioneer Natural Resources	1,249.0	—	—
Oneok	1,516.3	0.3	0.0%
ConocoPhillips	2,759.0	4.0	0.1%
Marathon Oil	643.0	6.0	0.9%
Anadarko Petroleum	493.0	14.0	2.8%
CVR Energy	507.0	31.0	6.1%
Exxon Mobil	5,074.0	459.0	9.0%
Consol Energy	184.4	20.6	11.2%
Phillips	5,461.0	739.0	13.5%
Marathon Petroleum	4,568.0	715.0	15.7%
HollyFrontier	1,483.7	239.6	16.1%
Delek US Holdings	478.5	121.7	25.4%
MRC Global	94.0	25.0	26.6%
TOTAL Oil, gas & pipelines	**$44,643.6**	**$1,628.2**	**3.6%**

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(by Industry) Figures in millions of dollars

Company	Profit	Tax	Rate
PHARMACEUTICAL & MEDICAL PRODUCTS			
Eli Lilly	$597.6	$–54.3	–9.1%
Patterson	72.6	0.3	0.4%
Regeneron Pharmaceuticals	2,146.9	223.7	10.4%
Merck	3,517.0	412.0	11.7%
Bristol-Myers Squibb	2,253.2	456.2	20.2%
Gilead Sciences	6,912.0	1,770.6	25.6%
Amgen	4,839.0	1,270.0	26.2%
Stryker	479.0	126.2	26.3%
Zoetis	905.0	244.0	27.0%
Biogen Idec	3,831.5	1,166.4	30.4%
TOTAL Pharmaceutical & medical products	**$25,553.8**	**$5,615.1**	**22.0%**
PUBLISHING, PRINTING			
Gannett	$6.8	$–11.2	–164.2%
News Corp.	97.0	5.0	5.2%
S&P Global	1,776.0	191.0	10.8%
TOTAL Publishing, printing	**$1,879.8**	**$184.9**	**9.8%**

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(by Industry) Figures in millions of dollars

Company	Profit	Tax	Rate
RETAIL & WHOLESALE TRADE			
Tapestry	$307.0	$–24.4	–7.9%
Beacon Roofing Supply	62.6	–4.4	–7.1%
SpartanNash	39.6	–1.6	–4.1%
Netflix	898.7	–22.2	–2.5%
Amazon.com	10,835.0	–129.0	–1.2%
Andersons	46.4	–0.5	–1.2%
McKesson	1,477.0	–10.0	–0.7%
HD Supply	508.0	—	—
Barnes & Noble	10.3	0.2	1.7%
Office Depot	131.0	3.0	2.3%
Univar	34.5	0.8	2.3%
Walgreens Boots Alliance	3,189.0	116.0	3.6%
Casey's General Stores	259.5	10.3	4.0%
AmerisourceBergen	665.6	26.9	4.0%
US Foods	484.0	32.0	6.6%
Murphy USA	273.9	18.4	6.7%
Target	2,826.0	257.0	9.1%
Lithia Motors	326.0	30.3	9.3%
Arrow Electronics	166.5	16.0	9.6%
Burlington Stores	488.2	47.2	9.7%
Macy's	1,367.0	156.0	11.4%
BJ's Wholesale Club	127.0	14.6	11.5%
Williams-Sonoma	318.2	43.7	13.7%
Insight Enterprises	142.7	19.7	13.8%
Performance Food Group	207.3	28.9	13.9%
Publix Super Markets	2,858.1	413.7	14.5%
Graybar Electric	156.4	22.9	14.6%
W.W. Grainger	1,131.0	166.0	14.7%
Wal-Mart Stores	15,382.0	2,350.0	15.3%
Dollar General	1,961.7	320.4	16.3%
Costco Wholesale	2,992.0	494.0	16.5%
Ulta Beauty	829.9	137.3	16.5%
Wesco International	191.1	31.8	16.7%
Dillard's	205.5	35.0	17.0%
Gap	1,142.0	197.0	17.3%
O'Reilly Automotive	1,634.6	290.0	17.7%
Big Lots	197.2	35.0	17.8%
Dollar Tree	1,370.2	245.6	17.9%
Ross Stores	1,976.4	357.2	18.1%
Foot Locker	612.0	112.0	18.3%
Tractor Supply	667.8	123.4	18.5%
AutoNation	502.6	93.0	18.5%
Genuine Parts	751.3	139.7	18.6%
LKQ	536.9	100.2	18.7%

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(by Industry) Figures in millions of dollars

Company	Profit	Tax	Rate
	RETAIL & WHOLESALE TRADE, CONTINUED		
Group 1 Automotive	$187.8	$35.9	19.1%
Home Depot	13,159.0	2,557.0	19.4%
Tech Data	202.8	39.7	19.6%
Best Buy	1,499.0	295.0	19.7%
Nordstrom	736.0	147.0	20.0%
Kroger	3,870.0	775.0	20.0%
Asbury Automotive Group	217.7	43.8	20.1%
CarMax	1,063.2	218.5	20.6%
CVS Caremark	7,056.0	1,480.0	21.0%
Michaels	291.7	61.9	21.2%
Henry Schein	470.7	103.2	21.9%
Kohl's	999.0	229.0	22.9%
Dick's Sporting Goods	409.3	94.7	23.1%
Anixter International	158.4	37.0	23.4%
AutoZone	1,376.6	329.0	23.9%
Lowe's	4,008.9	963.0	24.0%
United Natural Foods	192.0	46.2	24.1%
Limited Brands	834.0	212.0	25.4%
Synnex	174.1	53.4	30.7%
Sonic Automotive	67.9	37.0	54.5%
TOTAL Retail & wholesale trade	**$97,263.9**	**$14,051.5**	**14.4%**

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(by Industry) Figures in millions of dollars

Company	Profit	Tax	Rate
TELECOMMUNICATIONS			
CenturyLink	$1,041.0	$–576.0	–55.3%
Charter Communications	1,639.0	23.0	1.4%
DISH Network	2,145.3	44.5	2.1%
Telephone & Data Systems	178.0	10.0	5.6%
Verizon Communications	18,549.0	2,187.0	11.8%
Comcast	13,748.0	2,026.0	14.7%
AT&T	20,871.0	3,258.0	15.6%
TOTAL Telecommunications	**$58,171.3**	**$6,972.5**	**12.0%**
TRANSPORTATION			
Avis Budget Group	$78.0	$–37.0	–47.4%
JetBlue Airways	219.0	–60.0	–27.4%
Ryder System	349.8	–47.3	–13.5%
Delta Air Lines	5,073.0	–187.0	–3.7%
Alaska Air Group	576.0	–5.0	–0.9%
AMR	1,884.0	—	—
United Continental Holdings	2,519.9	10.4	0.4%
XPO Logistics	313.0	2.0	0.6%
J.B. Hunt Transport Services	614.1	22.9	3.7%
Southwest Airlines	3,104.0	338.0	10.9%
CSX	4,160.0	572.0	13.8%
Norfolk Southern	3,338.0	499.0	14.9%
Expeditors International of Washington	299.9	45.0	15.0%
Union Pacific	7,454.0	1,144.0	15.3%
C.H. Robinson Worldwide	682.3	148.6	21.8%
TOTAL Transportation	**$30,665.0**	**$2,445.6**	**8.0%**

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings

Effective Federal Corporate Income Tax Rates on 379 Major Corporations, 2018

(by Industry) Figures in millions of dollars

Company	Profit	Tax	Rate
UTILITIES, GAS & ELECTRIC			
Duke Energy	$3,029.0	$–647.0	–21.4%
WEC Energy Group	1,139.4	–218.4	–19.2%
CMS Energy	774.0	–67.0	–8.7%
Public Service Enterprise Group	1,772.0	–97.0	–5.5%
Edison International	1,600.0	–57.0	–3.6%
Xcel Energy	1,434.0	–34.0	–2.4%
PPL	1,110.0	–19.0	–1.7%
Atmos Energy	600.1	–10.1	–1.7%
American Electric Power	1,942.7	–31.7	–1.6%
Dominion Resources	3,021.0	–45.0	–1.5%
DTE Energy	1,215.0	–17.0	–1.4%
FirstEnergy	1,495.0	–16.0	–1.1%
Ameren	1,035.0	–10.0	–1.0%
UGI	446.3	–2.7	–0.6%
Consolidated Edison	1,793.0	3.0	0.2%
NextEra Energy	7,289.0	30.0	0.4%
Sempra Energy	680.7	6.0	0.9%
Southern	2,561.0	167.0	6.5%
Eversource Energy	1,318.9	106.5	8.1%
Exelon	2,233.0	226.0	10.1%
Valero Energy	2,900.0	432.0	14.9%
CenterPoint Energy	505.0	89.0	17.6%
TOTAL Utilities, gas & electric	**$39,894.1**	**$–212.4**	**–0.5%**
TOTAL, ALL INDUSTRIES	**$ 765,688**	**$ 86,845**	**11.3%**

SOURCE: Institute on Taxation and Economic Policy analysis of corporate 10-K filings