FACT Sheet: Tax Haven Abuse by the Numbers

- **$150 billion**: The amount that the Senate Permanent Subcommittee on Investigations estimated in 2008 that the U.S. lost in tax revenue due to offshore tax abuse every year[1]
- **$1 trillion**: the amount of unrepatriated foreign profits sitting offshore[2]
- **$810 billion**: The average outflow of illicit money from developing countries per year between 2000-2008 as estimated by Global Financial Integrity[3]
- **18,857**: The number of registered businesses at one address in the Cayman Islands[4]
- **217,000**: The number of companies housed at 1209 Orange Street in Wilmington, Delaware[5]
- **759:** Number of offshore subsidiaries in tax havens for Citigroup, Bank of America, and Morgan Stanley combined[6]
- **83**: number of the 100 largest U.S. companies that use offshore tax havens - including the big banks taxpayers bailed out in 2008 [7]
- **$57.2 billion** – Amount of money Egypt lost to trade mispricing and other forms of commercial crime between 2000 and 2008[8]
- **$2:** Daily earnings for at least one third of Egyptians[9]
- **30%:** Corporate share of the nation's tax receipts in the mid 1950s[10]
- **6.6%:** Corporate share of the nation's tax receipts in 2009[11]
- **64%:** Publicly traded U.S. parent companies incorporated in Delaware[12]
- **51%:** Publicly traded U.S. subsidiaries incorporated in Delaware[13]
- **6.2%:** Next highest percentage of subsidiaries incorporated in any other state[14]

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[1] Committee on Homeland Security and Governmental Affairs, Permanent Subcommittee on Investigations. *TAX HAVEN BANKS AND U. S. TAX COMPLIANCE STAFF REPORT*

http://levin.senate.gov/newsroom/supporting/2008/071708PSIReport.pdf

This $100 billion estimate is derived from studies conducted by a variety of tax experts. See, e.g., Joseph Guttentag and Reuven Avi-Yonah, "Closing the International Tax Gap," in Max B. Sawicky, ed., Bridging the Tax Gap: Addressing the Crisis in Federal Tax Administration (2006) (estimating offshore tax evasion by individuals at $40-$70 billion annually in lost U.S. tax revenues); Clausing, Kimberly A., The Revenue Effects of Multinational Firm Income Shifting. This article updates Clausing's prior work on the U.S. government revenue costs resulting from income shifting by multinational corporations. Extending the analysis to 2008, the author finds that the revenue costs of income-shifting practices have increased in recent years along with the rise in corporate profits of foreign affiliates of U.S. firms (estimating $90 billion annually lost in U.S. tax revenues. John Zdanowics, "Who's watching our back door?" Business Accents magazine, Volume 1, No.1, Florida International University (Fall 2004) (estimating offshore corporate transfer pricing abuses resulted in $53 billion in lost U.S. tax revenues in 2001); "The Price of Offshore," Tax Justice Network briefing paper (March 2005) (estimating that, worldwide, individuals have offshore assets totaling $11.5 trillion, resulting in $255 billion in annual lost tax revenues worldwide); "Governments and Multinational Corporations in the Race to the Bottom," Tax Notes (2/27/06); "Data Show Dramatic Shift of Profits to Tax Havens," Tax Notes (9/13/04). See also series of 2007 articles authored by Martin Sullivan in Tax Notes (estimating over $1.5 trillion in hidden assets in four tax havens, Guernsey, Jersey, Isle of Man, and Switzerland, beneficially owned by nonresident individuals likely avoiding tax in their home jurisdictions), infra footnote 3.

[2] Drucker, Jesse. "Tax Holiday for $1 Trillion May Lure Back Profits Without Growth." Bloomberg. 17 March 2011 http://www.bloomberg.com/news/2011-03-17/tax-holiday-for-1-trillion-may-lure-profits-without-spurring-u-s-growth.html

[3] Kar, Dev and Curcio, Karly. *Illicit Financial Flows from Developing Countries 2000-2009.* Jan 2011

[4] Government Accountability Office, International Taxation: Large U.S. Corporations and Federal Contractors with Subsidiaries In Jurisdictions Listed as Tax Havens or Financial Secrecy Jurisdictions, Dec 2008. http://www.gao.gov/highlights/d08778high.pdf

[5] Shaxson, Nicholas. (2011) *Treasure Islands: Tax Havens and The Men Who Stole the World* (p.143). London: The Bodley Head

[6] Government Accountability Office, International Taxation: Large U.S. Corporations and Federal Contractors with Subsidiaries In Jurisdictions Listed as Tax Havens or Financial Secrecy Jurisdictions, Dec 2008. http://www.gao.gov/highlights/d08778high.pdf

[7] Id.

[8] Kar, Dev and Curcio, Karly. *Illicit Financial Flows from Developing Countries 2000-2009.* Jan 2011

[9] Bronner, Eithan. "Mubarak Denies Corruption and Defends His Legacy." New York Times. 11 April 2011

http://www.nytimes.com/2011/04/11/world/middleeast/11egypt.html?scp=1&sq=Egypt%20%242&st=cse

[10] Kocieniewski, David. "G.E.'s Strategies Let It Avoid Taxes Altogether." New York Times. 24 March 2011 http://www.nytimes.com/2011/03/25/business/economy/25tax.html?_r=3

[11] Id.

[12]Dyreng, Scott, Lindsey, Bradley P. and Thornock, Jacob R., *Exploring the Role Delaware Plays as a Domestic Tax Haven* 28 April 2011 http://ssrn.com/abstract=1737937

[13] Id.

[14] Id.