

# Corporate Taxes in America

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Raising them should be a national imperative. Corporations should pay their fair share. Not according to Laurence Kotlikoff.

He's a right-wing economist. He's a corporatist writ large. He claims abolishing corporate taxes will create jobs.

Doing so requires dropping money on Main Street. Get it in people's pockets directly. Do it by cutting their taxes.

Guarantee a living wage. Support worker-friendly legislation. Restore their bargaining power with management.

Return money creation power to public hands where it belongs. Initiate government jobs creation programs.

New Deal ones put millions back to work. Doing so reinvigorated the national spirit.

Unemployment was measurably cut. It dropped from 25% in 1933 to 11% in 1937. Doing the right things work.

In 1961, corporate tax cuts were linked to job creation. Business had to prove they added jobs to qualify.

No longer. Corporate tax cuts and credits are handed out freely. They're not linked to job creation. They're standard practice. More are planned this year.

Under Bush and Obama, corporations get tax cuts for overseas investments. Domestic job reductions accompany them. Offshoring is rewarded.

Multiple Bush tax cuts handed corporations around \$3.4 trillion. Doing so was hailed as a way to create jobs.

Post-recession jobs creation during the early 2000s was the weakest on record. It took 46 months to recover those lost.

It'll take over a decade now. The so-called 2007 - 2009 Great Recession continues to take an enormous toll on ordinary Americans. Main Street Great Depression conditions persist unabated.

Low pay/poor or no benefit part-time jobs replaced higher paying, good benefit full-time ones. It's been ongoing for decades. America is in economic decline.

Offshoring millions of jobs exacerbates hard times. According to Paul Craig Roberts, only fools believe doing so is good for America.

Likeminded so-called experts can't see the forest through the trees. US corporations are hoarding cash. Bush and Obama tax cuts added \$10 trillion or more to their balance sheets.

Much was shifted to offshore subsidiaries. Doing so avoids US taxes altogether. It's unknown how much corporate wealth sits in tax havens. Perhaps trillions from generous business handouts.

During the height of 2008 crisis conditions, \$168 billion stimulus legislation was enacted. About \$90 billion went to business and rich elites.

Jobs were lost, not created. From July through December 2008, nearly a million a month disappeared. Doing so matched the 1929-1930 rate.

Obama's February 2009 \$787 billion stimulus bill handed corporations nearly \$400 billion in tax cuts. Over \$225 billion went for business/investor cuts.

Through December 2010, zero jobs were created. Part-time ones replaced higher paying full-time jobs.

Hundreds of thousands of federal, state and local public workers were laid off. Current unemployment tops 23%.

Official numbers are fake. They mask the greatest jobs crisis since the Great Depression. Before this one ends, it may be greater.

Bush and Obama benefitted corporations and rich elites hugely. They never had it better. Unprecedented wealth amounts shifted from ordinary people to them.

The great wealth transfer heist continues. America is being thirdworldized in the process. Employment opportunities are dreadful.

It bears repeating. Tax cuts don't create jobs. They could if linked to jobs creation. They haven't been since Kennedy's mandate.

Democrats and Republicans today are polar opposite. Reverse Robin Hoodism is policy. It created the greatest wealth disparity in US history.

Half or more of US households are impoverished or bordering it. Good jobs are disappearing in plain sight. Nearly 50 million Americans need food stamps to eat.

Hard times are getting harder. Needy households are increasing exponentially. At the same time, corporate profits are higher than ever.

Business taxes are way too low. The top nominal rate is 35%. Obama, Republicans and many Democrats plan cutting it to 28 or 25%.

Senate Finance Committee chairman Max Baucus (D. MT) is retiring this year. He favors lower corporate rates. He helped spearhead Obamacare's enactment.

Doing so wrecked America's healthcare system. It did so to benefit business. The full fallout remains to unfold.

One of many propagated myths is that US corporations pay too much in taxes. "[Abolish the Corporate Income Tax](#)," says Kotlikoff. He wants people to believe what's untrue.

"Just ask" Seattle-based Boeing machinist workers, he said. They accepted major contract concessions. They did so for greater "long-term success," Kotlikoff claimed.

False! Contract terms substitute largely worker funded 401ks for company-paid pensions, higher healthcare costs, reduced wage increases, and no strikes.

Heavy pressure was applied. Union bosses claimed 51% of International Association of Machinists approved what no workers want. Others claimed vote rigging.

Kotlikoff said Boeing workers acted in their own best interest. How does cutting their standard of living do so?

"In recent decades, American workers have suffered one body blow after another," he admitted.

"What can (they) do to mitigate their plight," he asked? Eliminate corporate taxes, what else.

"It's not...a giveaway to the rich," he maintains. Corporate taxes are "economically self-defeating." They hurt "workers, not capitalists..."

He claims America "may well have the highest effective marginal corporate income tax rate of any developed country."

As explained above, nominally it's 35%. Bipartisan complicity agreed to cut it to 28 or 25%. Most large corporations pay less than half that amount.

Many pay much less. Some pay nothing. Others get rebates in profitable years. Corporate taxes have been in free fall for decades.

As a percent of GDP and national income, they're half what they were two decades ago. They're going lower. Obama demands it. He's doing so while waging war on ordinary Americans.

He's one-sidedly pro-business. He's anti-labor, anti-populist, anti-fairness. He wants greater austerity than already. He wants America's social contract eliminated.

He wants corporate giants handed trillions more than already. So does Kotlikoff. He supports the great tax giveaway.

He wants corporate ones entirely eliminated. He claims maintaining them gets business to shift operations abroad.

They do so largely for lower labor costs. They're in countries with no worker protections. They're free to exploit their workforce for greater profits.

Kotlikoff claims eliminating corporate taxes assures a "stunningly large" economic windfall.

He's for raising personal income tax rates at the same time.

He wants ordinary people to bear the burden. They do so more than ever now. He claims hitting them when they can least afford it "leads to a short-run inflow of capital."

It'll "rais(e) (America's) capital stock (machines and buildings) by 23 percent, output by 8 percent, and the real wages of unskilled and skilled workers by 12 percent," he maintains.

It bears repeating. Corporate tax cuts don't create jobs. Clear evidence proves it. Throughout the new millennium, profits shifted abroad tax free.

They remain on business balance sheets. They went for stock buybacks, dividends, high executive salaries and bonuses, as well as other unrelated non-job creation purposes.

Why else would unemployment exceed 23%? Inflation-adjusted wages have been declining for decades. Benefits workers took for granted are disappearing.

So are good full-time jobs. Class war rages. Middle America is disappearing in plain sight. Detroit reflects nationwide decline.

Other troubled cities include major ones. Growing millions are on their own sink or swim. Predatory capitalism is malignant. It's eating its seed corn. It's killing its host.

It's been a stunning failure for decades. It hollowed out America. It harms its most vulnerable.

It caused the largest municipal bankruptcy in US history. Detroit once symbolized America's industrial might. It's zombie-like today.

Nothing is done to change things. Kotlikoff wants ordinary people hit harder. He claims raising their tax burden lifts all boats.

He says it does so when coupled with eliminating corporate taxes. He shows a shocking disregard for human welfare.

His formula assures greater crisis conditions. Millions already can't cope. More add to their ranks daily. Raising their taxes will accelerate the process.

How can destroying the well-being of most Americans be beneficial? Kotlikoff apparently believes doing so will save them. He admits that inflation-adjusted wages are "10 percent lower today than (in) 1966."

"This is America's nightmare, not its dream," he explains. "Turning things around requires getting a lot of things right, starting, (he argues) with corporate tax reform."

In 2007, his book titled "The Healthcare Fix" proposed ending Medicare, Medicaid, and employer-provider insurance.

He wants government-provided vouchers replacing them. He wants their cost maintained at a fixed 10% of GDP.

Well-off recipients could supplement coverage by buying more on their own. Others would be stuck with bare bones care.

Corporations are Kotlikoff's concern. Ordinary people don't matter. Deepening social inequality is OK.

Human misery is out of sight and mind. Kotlikoff's formula assures hard times getting harder for growing millions.

America already is unfit to live in. Kotlikoff wants impossible conditions for most people. Imagine if it turns out this way. Imagine the worst of all possible worlds.

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*His new book is titled "Banker Occupation: Waging Financial War on Humanity."*

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