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**Report: Florida Could Recover $1.1 Billion Lost to Corporate Tax Loopholes**

*Federal reforms have failed to address tax dodging, but Florida can take action*

**For Immediate Release**

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**St. Petersburg, FL** -- Every year, corporations use complicated schemes to shift U.S. earnings to subsidiaries in offshore tax havens which helps them dodge both state and federal taxes. Reforms to end tax dodging in Florida would reduce revenue loss by $1.1 Billion, according to a new report called “A Simple Fix for a $17 Billion Loophole,” released today by Florida Consumer Action Network Foundation (FCAN Foundation.)

“When multinational businesses dodge hundreds of millions in Florida taxes, that money doesn’t come out of a hat. It means either means we have less money for public priorities like education or transportation or other taxpayers end up footing the bill,” said Bill Newton, deputy director of FCAN Foundation, which released the report. “Luckily, there are ways for Florida to even the playing field, and recover millions for critical services *without raising rates.*”

For years, some corporations that do business here in Florida have dodged taxes by booking profits made in America to tax havens like the Cayman Islands, that levy little to no tax. The report, which was co-authored by US PIRG Education Fund, the Institute on Taxation and Economic Policy (ITEP), SalesFactor.org and the American Sustainable Business Council (ASBC), looks at approaches Florida can take to address this offshore tax dodging.

States have the power to use a global picture of a company’s activities in order to determine how many tax dollars a state rightfully should receive. *A Simple Fix* details how much money each state would recover if it required companies to follow one or more standard procedures, including domestic combined reporting, tax haven list reform and worldwide combined reporting -- otherwise known as complete reporting.

Combined reporting (used already by 27 states and Washington, DC) applies a formula to the total domestic business of a company to determine how much income a company should attribute to the state, instead of letting the company decide unilaterally how to allocate its profits (which incentivizes shifting money to low-tax jurisdictions).

Complete reporting expands the combined reporting to include the company’s entire global business in order to close loopholes that allow corporations to hide profits offshore.

Here’s what some of the co-authors of the report had to say:

*“Congress promised to address offshore tax dodging in the 2017 tax package, but it failed entirely,” added Richard Phillips, a report co-author and senior policy analyst with* ***ITEP****. “If states were waiting on Washington to fix these problems before, they can’t now. And our report shows that they don’t have to.”*

*“Our tax system is unfair and inefficient -- and federal reform failed to address those concerns,” added Bill Parks Founder of* ***SalesFactor.org****. “Complete reporting makes tax return filing easier for small businesses, and ends the grossly unfair advantage larger multinationals currently have on their small business competitors.“*

*“Those who benefit the most from our economy should be paying their fair share, but that is not the case right now, as global corporations continue avoiding taxes through various loopholes,” said Holly Bullard, chief strategy and operations officer at the* ***Florida Policy Institute****. “Streamlining Florida’s tax code and reporting requirements could help recover this much-needed revenue, which could then be reinvested in our communities for things like mental health services, K12 education and modernized roads and bridges.”*

Closing loopholes that allow offshore tax dodging would lead to significant revenue gains for most states, totaling $17 billion across the country, as illustrated in the table below. By modernizing state tax codes with these simple reforms, Florida would bring in $ 1.1 Billion each year, level the playing field for local businesses that compete with multinational corporations, and protect honest taxpayers from picking up the tab for tax dodgers.

**FCAN Foundation** stands for an America where everyone gets their fair share, does their fair share, and pays their fair share; and where everyone plays by the same rules. FCAN Foundation is partnering with US PIRG to release this report.

**U.S. PIRG Education Fund** is an independent, non-partisan group that works for consumers and the public interest. Through research, public education and outreach, we serve as counterweights to the influence of powerful special interests that threaten our health, safety or well-being. For more information, please visit [www.uspirgedfund.org](http://www.uspirgedfund.org).

**The Florida Policy Institute** is an independent, nonprofit and nonpartisan organization dedicated to promoting widespread prosperity through timely, thoughtful and objective analysis of state policy issues affecting economic opportunity. The Institute provides analysis of state budget and revenue trends and proposes common-sense policy options with the aim of encouraging broad public education, discussion, and informed action. The Institute advances fiscal policies that expand economic opportunity for all Florida residents.

**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.

**Salesfactor.org** is a collection of private citizens just like you who want a tax system that works for the American economy and not against it. We educate the public about the current disadvantages our businesses face in the global market and why our Corporate Tax System is so broken. We have no corporate sponsors, nor any financial interest in the reforms being proposed. Our concerns include leveling the playing field between domestic and multinational corporations, long-term health of the American economy and improving U.S. competitiveness in world markets.

