

Offshore Shell Games

2014

The Use of Offshore Tax Havens
by Fortune 500 Companies

OSPIRG
Foundation

CTJ Citizens for
Tax Justice

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Citizens for Tax Justice (CTJ)

Citizens for Tax Justice, founded in 1979, is a public interest research and advocacy organization focusing on federal, state and local tax policies and their impact upon our nation. CTJ's mission is to give ordinary people a greater voice in the development of tax laws. Against the armies of special interest lobbyists for corporations and the wealthy, CTJ fights for fair taxes for middle and low-income families, requiring the wealthy to pay their fair share, closing corporate tax loopholes, and adequately funding important government services.

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Executive Summary

Many large U.S.-based multinational corporations avoid paying U.S. taxes by using accounting tricks to make profits made in America appear to be generated in offshore tax havens—countries with minimal or no taxes. By booking profits to subsidiaries registered in tax havens, multinational corporations are able to avoid an estimated \$90 billion in federal income taxes each year. These subsidiaries are often shell companies with few, if any employees, and which engage in little to no real business activity.

Congress has left loopholes in our tax code that allow this tax avoidance, which forces ordinary Americans to make up the difference. Every dollar in taxes that corporations avoid by using tax havens must be balanced by higher taxes on individuals, cuts to public investments and public services, or increased federal debt.

This study examines the use of tax havens by Fortune 500 companies in 2013. It reveals that tax haven use is ubiquitous among America's largest companies, but a narrow set of companies benefit disproportionately.

Most of America's largest corporations maintain subsidiaries in offshore tax havens. At least 362 companies, making up 72 percent of the Fortune 500, operate subsidiaries in tax haven jurisdictions as of 2013.

- All told, these 362 companies maintain at least 7,827 tax haven subsidiaries.

- The 30 companies with the most money officially booked offshore for tax purposes collectively operate 1,357 tax haven subsidiaries.

Approximately 64 percent of the companies with any tax haven subsidiaries registered at least one in Bermuda or the Cayman Islands—two notorious tax havens. Furthermore, the profits that all American multinationals—not just Fortune 500 companies—collectively claim were earned in these island nations in 2010 totaled 1,643 percent and 1,600 percent of each country's entire yearly economic output, respectively.

Six percent of Fortune 500 companies account for over 60 percent of the profits reported offshore for tax purposes. These 30 companies with the most money offshore—out of the 287 that report offshore profits—collectively book \$1.2 trillion overseas for tax purposes.

Only 55 Fortune 500 companies disclose what they would expect to pay in U.S. taxes if these profits were not officially booked offshore. All told, these 55 companies would collectively owe \$147.5 billion in additional federal taxes. To put this enormous sum in context, it represents more than the entire state budgets of California, Virginia, and Indiana combined. **Based on these 55 corporations' public disclosures, the average tax rate that they have collectively paid to**

other countries on this income is just 6.7 percent, suggesting that a large portion of this offshore money is booked to tax havens. This list includes:

- **Apple:** Apple has booked \$111.3 billion offshore—more than any other company. It would owe \$36.4 billion in U.S. taxes if these profits were not officially held offshore for tax purposes. A 2013 Senate investigation found that Apple has structured two Irish subsidiaries to be tax residents of neither the U.S.—where they are managed and controlled—nor Ireland—where they are incorporated. This arrangement ensures that they pay no taxes to *any* government on the lion's share of their offshore profits.
- **American Express:** The credit card company officially reports \$9.6 billion offshore for tax purposes on which it would otherwise owe \$3 billion in U.S. taxes. That implies that American Express currently pays only a 3.8 percent tax rate on its offshore profits to foreign governments, suggesting that most of the money is booked in tax havens levying little to no tax. American Express maintains 23 subsidiaries in offshore tax havens.
- **Nike:** The sneaker giant officially holds \$6.7 billion offshore for tax purposes, on which it would otherwise owe \$2.2 billion in U.S. taxes. That implies Nike pays a mere 2.2 percent tax rate to foreign governments on those offshore profits, suggesting nearly all of the money is held by subsidiaries in tax havens. Some of Nike's intellectual property is owned by a subsidiary in the Netherlands—a tax haven that

American companies often use to funnel profits to other tax havens like Bermuda. Nike discloses having 12 subsidiaries in Bermuda that actually bear the names of their shoes like “Air Max Limited” and “Nike Flight.”

Some companies that report a significant amount of money offshore maintain hundreds of subsidiaries in tax havens, including the following:

- **Bank of America** reports having 264 subsidiaries in offshore tax havens—more than any other company. The bank officially holds \$17 billion offshore for tax purposes, on which it would otherwise owe \$4.3 billion in U.S. taxes. That means it currently pays a ten percent tax rate to foreign governments on the profits it has booked offshore, implying much of those profits are booked to tax havens.
- **PepsiCo** maintains 137 subsidiaries in offshore tax havens. The soft drink maker reports holding \$34.1 billion offshore for tax purposes, though it does not disclose what its estimated tax bill would be if it didn't keep those profits booked offshore for tax purposes.
- **Pfizer**, the world's largest drug maker, operates 128 subsidiaries in tax havens and officially holds \$69 billion in profits offshore for tax purposes, the third highest among the Fortune 500. Pfizer recently attempted the acquisition of a smaller foreign competitor so it could reincorporate on paper as a “foreign company.” Pulling this off would have allowed the company a tax-free way to use its supposedly offshore profits in the U.S.

Corporations that disclose fewer tax haven subsidiaries do not necessarily dodge fewer taxes. Many companies have disclosed fewer tax haven subsidiaries, all the while increasing the amount of cash they keep offshore. For some companies, their actual number of tax haven subsidiaries may be substantially greater than what they disclose in the official documents used for this study. For others, it suggests that they are booking larger amounts of income to fewer tax haven subsidiaries.

Consider:

- **Citigroup** reported operating 427 tax haven subsidiaries in 2008 but disclosed only 21 in 2013. Over that time period, Citigroup more than doubled the amount of cash it reported holding offshore. The company currently pays an 8.3 percent tax rate offshore, implying that most of those profits have been booked to low- or no-tax jurisdictions.
- **Google** reported operating 25 subsidiaries in tax havens in 2009, but since 2010 only discloses two, both in Ireland. During that period, it increased the amount of cash it reported offshore from \$7.7 billion to

\$38.9 billion. An academic analysis found that as of 2012, the 23 no-longer-disclosed tax haven subsidiaries were still operating.

- **Microsoft**, which reported operating 10 subsidiaries in tax havens in 2007, disclosed only five in 2013. During this same time period, the company increased the amount of money it reported holding offshore by more than 12 times. Microsoft currently pays a tax rate of just 3 percent to foreign governments on those profits, suggesting that most of the cash is booked to tax havens.

Strong action to prevent corporations from using offshore tax havens will restore basic fairness to the tax system, make it easier to avoid large budget deficits, and improve the functioning of markets.

There are clear policy solutions policymakers can enact to crack down on tax haven abuse. Policymakers should end incentives for companies to shift profits offshore, close the most egregious offshore loopholes, and increase transparency.

Introduction

Ugland House is a modest five-story office building in the Cayman Islands, yet it is the registered address for 18,857 companies.¹ The Cayman Islands, like many other offshore tax havens, levies no income taxes on companies incorporated there. Simply by registering subsidiaries in the Cayman Islands, U.S. companies can use legal accounting gimmicks to make much of their U.S.-earned profits appear to be earned in the Caymans and pay *no* taxes on them.

The vast majority of subsidiaries registered at Ugland House have no physical presence in the Caymans other than a post office box. About half of these companies have their billing address in the U.S., even while they are officially registered in the Caymans.² This unabashedly false corporate “presence” is one of the hallmarks of a tax haven subsidiary.

Companies can avoid paying taxes by booking profits to a tax haven because U.S. tax laws allow them to defer paying U.S. taxes on profits they report are earned abroad until they “repatriate” the money to the United States. Corporations receive a dollar-for-dollar tax credit for the taxes they pay to foreign governments in order to avoid double taxation. Many U.S. companies game this system by using loopholes that let them disguise profits legitimately made in the U.S. as “foreign” profits earned by a subsidiary in a tax haven.

Offshore accounting gimmicks by multinational corporations have created a disconnect between where companies locate their actual workforce and investments, on one hand, and where they claim to have earned profits, on the other. The Congressional Research Service found that in 2008, American multinational



Photos (left to right): Paulo Fierro, Rob Stinnett



What is a Tax Haven?

Tax havens are jurisdictions with very low or nonexistent taxes. This makes it attractive for U.S.-based multinational firms to report earnings there to avoid paying taxes in the United States. Most tax haven countries also have financial secrecy laws that can thwart international rules by limiting disclosure about financial transactions made in their jurisdiction. These secrecy laws are used by wealthy individuals to avoid paying taxes by setting up offshore shell corporations or trusts. Many tax haven countries are small island nations, such as Bermuda, the British Virgin Islands, and the Cayman Islands.³

This study uses a list of 50 tax haven jurisdictions, which each appear on at least one list of tax havens compiled by the Organization for Economic Cooperation and Development (OECD), the National Bureau of Economic Research, or as part of a U.S. District Court order listing tax havens. These lists were also used in a 2008 GAO report investigating tax haven subsidiaries.⁴

companies collectively reported 43 percent of their foreign earnings in five small tax haven countries: Bermuda, Ireland, Luxembourg, the Netherlands, and Switzerland. Yet these countries accounted for only 4 percent of the companies' foreign workforce and just 7 percent of their foreign investment. By contrast, American multinationals reported earning just 14 percent

of their profits in major U.S. trading partners with higher taxes—Australia, Canada, the UK, Germany, and Mexico—which accounted for 40 percent of their foreign workforce and 34 percent of their foreign investment.⁵ The IRS released data this year showing that American multinationals collectively reported in 2010 that 54 percent of their foreign earnings were on the books in 12 notorious tax havens (see table 4 on pg. 14).⁶

Profits booked “offshore” often remain *on-shore*, invested in U.S. assets

Many of the profits kept “offshore” are actually housed in U.S. banks or invested in American assets, but registered in the name of foreign subsidiaries. A Senate investigation of 27 large multinationals with substantial amounts of cash supposedly “trapped” offshore found that more than half of the offshore funds were invested in U.S. banks, bonds, and other assets.⁷ For some companies the percentage is much higher. A *Wall Street Journal* investigation found that 93 percent of the money Microsoft has officially “offshore” was invested in U.S. assets.⁸ In theory, companies are barred from investing directly in their U.S. operations, paying dividends to shareholders or repurchasing stock with money they declare to be “permanently invested offshore.” But even that restriction is easily evaded because companies can use cash supposedly “trapped” offshore for those purposes by borrowing at negligible rates using their offshore holdings as collateral. Either way, American corporations can benefit from the stability of the U.S. financial system without paying taxes on the profits that are officially booked “offshore” for tax purposes.⁹

A Note On Misleading Terminology

“Offshore profits”

Using the term “offshore profits” without any qualification is a misleading way to describe the profits U.S. multinationals hold in tax havens. The term implies that these profits were actually earned offshore, as a result of actual business activity. In reality, for many—if not most—of the companies examined in this study, “offshore profits” mostly refers to U.S. profits that companies have disguised as foreign profits made in tax havens to avoid taxes. To capture this reality, this study describes “offshore profits” as profits booked offshore for tax purposes.

“Repatriation” or “bringing the money back”

Repatriation is the term used to describe what happens when a U.S. company “returns” offshore profits to the U.S. This term is misleading because it implies that profits companies have booked offshore for tax purposes are actually offshore in a real sense and that a company cannot make use of those profits in the U.S. without “bringing them back” and paying U.S. tax.

The reality (as previously described) is that much of the profits reported “offshore” are actually *already* in the U.S., housed in U.S. banks or invested in U.S. assets like Treasury bonds. In theory, companies are restricted from using profits booked offshore to pay dividends to shareholders or make certain investments, but companies can get around these restrictions by using “offshore” profits as collateral to borrow money at low rates to use for those purposes.

Average Taxpayers Pick Up the Tab for Offshore Tax Dodging

Congress has left loopholes in our tax code that allow offshore tax avoidance, which forces ordinary Americans to make up the difference. The practice of shifting corporate income to tax haven subsidiaries reduces federal revenue by an estimated \$90 billion annually.¹⁰ Every dollar in taxes companies avoid by using tax havens must be balanced by higher taxes paid by other Americans, cuts to government programs, or increased federal debt. If small business owners were to pick up the full tab for offshore tax avoidance by multinationals, they would each have had to pay an estimated \$3,206 in additional taxes last year.¹¹

It makes sense for profits earned in America to be subject to U.S. taxation. The profits earned by these companies generally depend on access to America’s largest-in-the-world consumer market, a well-educated workforce trained by our school systems, strong private property rights enforced by our court system, and American roads and rail to bring products to market.¹² Multinational companies that depend on America’s economic and social infrastructure are shirking their obligation to pay for that infrastructure if they “shelter” the resulting profits overseas.

Most of America's Largest Corporations Maintain Subsidiaries in Offshore Tax Havens

This study found that as of 2013, 362 Fortune 500 companies—over 72 percent—disclose subsidiaries in offshore tax havens, indicating how pervasive tax haven use is among large companies. All told, these 362 companies maintain at least 7,827 tax haven subsidiaries.¹³ The top 30 companies with the most money held offshore collectively disclose 1,357 tax haven subsidiaries. Bank of America, Citigroup, JPMorgan-Chase, AIG, Goldman Sachs, Wells Fargo and Morgan Stanley—all large financial institutions that received taxpayer bailouts in 2008—disclose a combined 702 subsidiaries in tax havens.

Companies that rank high for both the number of tax haven subsidiaries and how much profit they book offshore for tax purposes include:

- **Bank of America**, which reports having 264 subsidiaries in offshore tax havens. Kept afloat by taxpayers during the 2008 financial meltdown, the bank reports holding \$17 billion offshore, on which it would otherwise owe \$4.3 billion in U.S. taxes.¹⁴ That implies that it currently pays a ten percent tax rate to foreign governments on the profits it has booked offshore, suggesting much of those profits are booked to tax havens.
- **PepsiCo** maintains 137 subsidiaries in offshore tax havens. The soft drink maker re-

ports holding \$34.1 billion offshore for tax purposes, though it does not disclose what its estimated tax bill would be if it didn't keep those profits offshore.

- **Pfizer**, the world's largest drug maker, operates 128 subsidiaries in tax havens and officially reports \$69 billion in profits offshore for tax purposes, the third highest among the Fortune 500.¹⁵ The company made more than 40 percent of its sales in the U.S. between 2010 and 2012,¹⁶ but managed to report no federal taxable income six years in a row. This is because Pfizer uses accounting techniques to shift the location of its taxable profits offshore. For example, the company can license patents for its drugs to a subsidiary in a low or no-tax country. Then, when the U.S. branch of Pfizer sells the drug in the U.S., it must pay its own offshore subsidiary high licensing fees that turn domestic profits into on-the-books losses and shifts profit overseas.

Pfizer recently attempted a corporate “inversion” in which it would have acquired a smaller foreign competitor so it could reincorporate on paper in the UK and no longer be an American company. A key reason Pfizer attempted this maneuver is that it would have allowed the company to more aggressively shift U.S. profits offshore and have full, unrestricted access to its offshore cash.

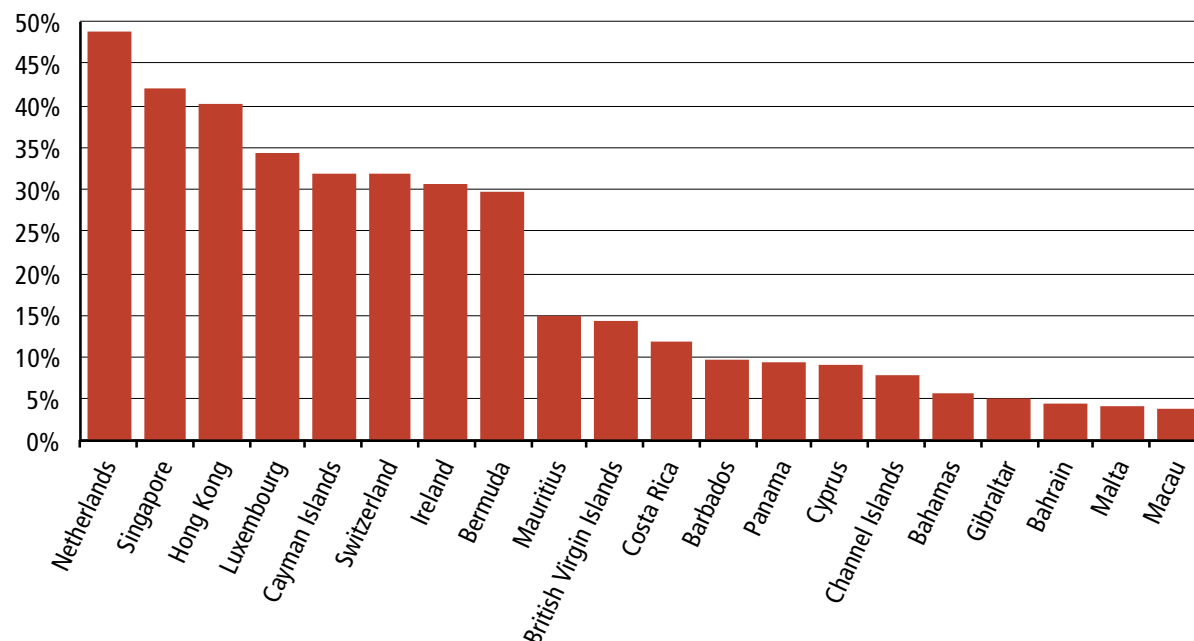
Table 1: Top 20 Companies with the Most Tax Haven Subsidiaries

Company	Number of Tax Haven Subsidiaries	Locations of Subsidiaries
Bank of America Corp.	264	Bahamas (2), Bermuda (3), Cayman Islands (143), Channel Islands (17), Costa Rica (1), Gibraltar (4), Hong Kong (8), Ireland (11), Luxembourg (18), Mauritius (6), Netherlands (32), Panama (1), Singapore (10), Switzerland (4), Turks and Caicos (1), U.S. Virgin Islands (3)
AES	226	Bahamas (1), Barbados (1), Bermuda (6), British Virgin Islands (12), Cayman Islands (99), Channel Islands (1), Costa Rica (1), Cyprus (2), Hong Kong (1), Ireland (2), Jordan (2), Luxembourg (1), Mauritius (2), Netherlands (82), Panama (7), Singapore (6)
Morgan Stanley	226	Bermuda (4), Cayman Islands (107), Channel Islands (10), Cyprus (3), Gibraltar (4), Hong Kong (11), Ireland (6), Luxembourg (37), Malta (1), Mauritius (5), Netherlands (27), Singapore (8), Switzerland (3)
KKR	157	Cayman Islands (131), Channel Islands (3), Cyprus (1), Hong Kong (2), Ireland (8), Luxembourg (5), Mauritius (4), Singapore (3)
Thermo Fisher Scientific	144	Barbados (3), Bermuda (4), British Virgin Islands (1), Cayman Islands (10), Channel Islands (1), Costa Rica (1), Gibraltar (2), Hong Kong (11), Ireland (7), Luxembourg (19), Malta (3), Netherlands (54), Singapore (11), Switzerland (17)
PepsiCo	137	Barbados (1), Bermuda (16), British Virgin Islands (1), Cayman Islands (5), Costa Rica (2), Cyprus (15), Gibraltar (3), Hong Kong (10), Ireland (13), Jordan (1), Liechtenstein (1), Luxembourg (25), Mauritius (2), Netherlands (33), Panama (1), Singapore (2), Switzerland (6)
Merck	131	Bermuda (12), Costa Rica (2), Cyprus (3), Hong Kong (4), Ireland (27), Lebanon (1), Luxembourg (1), Netherlands (46), Panama (5), Singapore (12), Switzerland (18)
Pfizer	128	Bermuda (1), British Virgin Islands (1), Cayman Islands (1), Channel Islands (9), Costa Rica (2), Hong Kong (8), Ireland (28), Luxembourg (27), Netherlands (37), Panama (5), Singapore (7), Switzerland (2)
Marsh & McLennan	110	Aruba (1), Bahamas (1), Bahrain (1), Barbados (5), Bermuda (23), British Virgin Islands (1), Cayman Islands (2), Channel Islands (3), Cyprus (2), Hong Kong (11), Ireland (16), Isle of Man (4), Jordan (1), Liechtenstein (1), Luxembourg (4), Macau (1), Malta (2), Mauritius (1), Netherlands (12), Singapore (9), Switzerland (9)
Illinois Tool Works	105	Bermuda (11), British Virgin Islands (7), Costa Rica (2), Hong Kong (12), Ireland (6), Luxembourg (11), Malta (1), Mauritius (2), Netherlands (31), Singapore (15), Switzerland (7)
Liberty Global	104	Cayman Islands (5), Channel Islands (3), Cyprus (1), Hong Kong (3), Ireland (14), Luxembourg (9), Netherlands (61), Singapore (1), Switzerland (7)
Stanley Black & Decker	98	Bermuda (1), British Virgin Islands (4), Cayman Islands (8), Costa Rica (1), Hong Kong (10), Ireland (20), Liechtenstein (1), Luxembourg (12), Macau (1), Netherlands (20), Panama (4), Singapore (9), Switzerland (7)
Marriott International	97	Anguilla (1), Aruba (3), Bahamas (2), Bahrain (1), Barbados (1), Bermuda (6), British Virgin Islands (8), Cayman Islands (10), Channel Islands (3), Costa Rica (1), Hong Kong (9), Ireland (4), Jordan (3), Lebanon (1), Luxembourg (7), Maldives (1), Malta (1), Netherlands (17), Panama (1), Singapore (4), St. Kitts and Nevis (2), St. Lucia (1), Switzerland (6), Turks and Caicos (1), U.S. Virgin Islands (3)
National Oilwell Varco	94	Aruba (1), Bahrain (1), Barbados (2), Bermuda (1), British Virgin Islands (3), Cayman Islands (7), Channel Islands (1), Cyprus (1), Malta (1), Mauritius (2), Netherlands (46), Netherlands Antilles (1), Singapore (24), Switzerland (3)

Table 1 (continued): Top 20 Companies with the Most Tax Haven Subsidiaries

Company	Number of Tax Haven Subsidiaries	Locations of Subsidiaries
Dow Chemical	93	Bahrain (3), Bermuda (7), Costa Rica (2), Hong Kong (8), Ireland (2), Luxembourg (3), Mauritius (2), Netherlands (42), Panama (1), Singapore (12), Switzerland (10), U.S. Virgin Islands (1)
Ecolab	91	Antigua and Barbuda (1), Aruba (1), Bahamas (1), Barbados (1), Bermuda (1), Cayman Islands (2), Channel Islands (1), Costa Rica (1), Cyprus (1), Hong Kong (4), Ireland (4), Luxembourg (10), Macau (1), Malta (3), Mauritius (1), Netherlands (41), Panama (2), Singapore (6), St. Lucia (1), Switzerland (6), U.S. Virgin Islands (2)
Emerson Electric	86	Bahrain(2), Bermuda (2), British Virgin Islands (1), Cayman Islands (4), Channel Islands (1), Costa Rica (1), Hong Kong (14), Ireland (4), Luxembourg (1), Mauritius (3), Netherlands (25), Panama (1), Singapore (14), Switzerland (13)
J.P. Morgan Chase & Co.	83	Bahamas (1), Barbados (1), Bermuda (2), British Virgin Islands (4), Cayman Islands (19), Channel Islands (6), Cyprus (1), Hong Kong (9), Luxembourg (7), Mauritius (16), Netherlands (5), Singapore (8), Switzerland (4)
Mondelēz International	83	Bahamas (1), Bahrain (1), Costa Rica (2), Cyprus (1), Hong Kong (3), Ireland (14), Lebanon (2), Luxembourg (3), Mauritius (1), Netherlands (28), Panama (2), Singapore (10), Switzerland (14), U.S. Virgin Islands (1)
Abbott Laboratories	79	Bahamas (2), Barbados (1), Bermuda (5), Cayman Islands (4), Costa Rica (2), Cyprus (1), Gibraltar (4), Hong Kong (3), Ireland (13), Lebanon (1), Luxembourg (7), Malta (1), Netherlands (22), Panama (2), Singapore (5), Switzerland (5), U.S. Virgin Islands (1)
TOTAL	2,536	

Figure 1: Percent of Fortune 500 Companies with 2013 Subsidiaries in Twenty Top Tax Havens



Cash Booked Offshore for Tax Purposes by U.S. Multinationals Doubled between 2008 and 2013

In recent years, U.S. multinational companies have increased the amount of money they book to foreign subsidiaries. An April 2014 study by research firm Audit Analytics found that the Russell 1000 list of U.S. companies collectively reported having just over \$2.1 trillion held offshore. That is nearly double the income reported offshore in 2008.¹⁷

For many companies, increasing profits held offshore does not mean building factories abroad, selling more products to foreign customers, or doing any additional real business activity in other countries. Instead, many companies use accounting tricks to disguise their profits as “foreign,” and book them to a subsidiary in a tax haven to avoid taxes.

The practice of artificially shifting profits to tax havens has increased in recent years. In 1999, the profits American multinationals reported earning in Bermuda represented 260 percent of the country’s entire economy. In 2008, it was up to 1,000 percent.¹⁸ More offshore profit shifting means more U.S. taxes avoided by American multinationals. A 2007 study by tax expert Kimberly Clausing of Reed College estimated that the revenue lost to the Treasury due to offshore tax haven abuse by corporations totaled \$60 billion annually. In 2011, she updated her estimate to \$90 billion.¹⁹

The 287 Fortune 500 Companies that report offshore profits collectively hold \$1.95 trillion offshore, with the top 30 companies accounting for 62 percent of the total

This report found that as of 2013, the 287 Fortune 500 companies that report holding offshore cash had collectively accumulated close to \$2 trillion that they declare to be “permanently reinvested” abroad. That means they claim to have no current plans to use the money to pay dividends to shareholders, make stock repurchases, or make certain U.S. investments. While 72 percent of Fortune 500 companies report having income offshore, some companies shift profits offshore far more aggressively than others. The thirty companies with the most money offshore account for nearly \$1.2 trillion. In other words, six percent of Fortune 500 companies account for 62 percent of the offshore cash.

Not all companies report how much cash they have “permanently reinvested offshore,” so the finding that 287 companies report offshore profits does not factor in all cash booked offshore. For example, Northrop Grumman reported in 2011 having \$761 million offshore. But since 2012, the defense contractor has reported have that it continues to have permanently reinvested earnings, but no longer specifies how much.

Table 2: Top 30 Companies with the Most Money Held Offshore

Company	Amount Held Offshore (Millions \$)	Number of Tax Haven Subsidiaries	Company	Amount Held Offshore (Millions \$)	Number of Tax Haven Subsidiaries
Apple	111,300	3	Coca-Cola	30,600	13
General Electric	110,000	18	J.P. Morgan Chase & Co.	28,500	83
Microsoft	76,400	5	Oracle	26,200	6
Pfizer	69,000	128	Amgen	25,500	8
Merck	57,100	131	United Technologies	25,000	27
International Business Machines	52,300	15	Abbott Laboratories	24,000	79
Johnson & Johnson	50,900	60	Bristol-Myers Squibb	24,000	10
Cisco Systems	48,000	56	Eli Lilly	23,740	26
Exxon Mobil	47,000	38	Goldman Sachs Group	22,540	15
Citigroup	43,800	21	Qualcomm	21,600	11
Procter & Gamble	42,000	32	Wal-Mart Stores	21,400	0
Google	38,900	2	Medtronic	20,499	37
Hewlett-Packard	38,200	27	Intel	20,000	13
PepsiCo	34,100	137	Dell	19,000	79
Chevron	31,300	13	Bank of America Corp.	17,000	264
			Total:	1,199,879	1,357

Evidence Indicates Much of Offshore Profits are Booked to Tax Havens

Companies are not required to disclose publicly how much they earned—or booked on paper—in another country. Still, some companies provide enough information in their annual SEC filings to deduce that much of their offshore cash is sitting in tax havens.

Only 55 Fortune 500 companies disclose what they *would* pay in taxes if they did not keep their profits booked offshore.

Companies are required to disclose this information in their annual 10-K filings unless the company determines it is “not practicable” to do so—a major loophole.²⁰ Collectively, these 55 companies alone would owe more than \$147.5 billion in additional federal taxes. To put this enormous sum in context, it represents more than the entire state budgets of California, Virginia, and Indiana combined.²¹

More startling is that, as a group, the average tax rate these 55 companies have paid to foreign governments on these profits booked offshore seems to be a mere 6.7 percent.²² If these companies officially repatriated their “offshore” money to the U.S., they would pay the 35 percent statutory corporate tax rate, minus what they have already paid to foreign governments. This means that, for example, a corporation disclosing that it would pay a U.S. tax rate of 30 percent upon repatriation must have paid about 5 percent to foreign governments on its offshore

profits. Based on such calculations, these 55 corporations seem to have paid a 6.7 percent rate to foreign governments, which suggests that the bulk of this cash is booked to tax havens that levy minimal to no corporate tax.

Examples of large companies paying very low foreign tax rates on offshore cash include:

- **Apple:** A recent Senate investigation found that Apple pays next to nothing in taxes on the profits it has booked offshore, which constitute the largest offshore cash stockpile. Manipulating tax loopholes in the U.S. and other countries, Apple structured two subsidiaries to be tax residents of neither the U.S.—where they are managed and controlled—nor Ireland—where they are incorporated. This arrangement ensures that they pay no taxes to any government on the lion’s share of their offshore profits. One of the subsidiaries has no employees.²³
- **American Express:** The company officially reports \$9.6 billion offshore for tax purposes, on which it would otherwise owe \$3 billion in U.S. taxes. That implies it is currently paying a 3.8 percent tax rate on its offshore profits to foreign governments, suggesting that most of the money is booked in tax havens levying little to no tax.²⁴ American Express maintains 23 subsidiaries in offshore tax havens.

Table 3: 27 Companies disclose paying less than a 10 percent tax rate on profits booked offshore, implying that most of those profits are in tax havens

Company	Amount Held Offshore (\$ millions)	Estimated Deferred Tax Bill (\$ millions)	Implied Tax Rate Paid on Offshore Cash*	Number of Tax Haven Subsidiaries
Express Scripts	82	30	0%	5
Amgen	25,500	9,100	0%	8
Qualcomm	21,600	7,600	0%	11
Gilead Sciences	8,550	3,000	0%	10
Advanced Micro Devices	354	124	0%	4
Eli Lilly	23,740	8,309	0%	26
Wynn Resorts	388	136	0%	15
AK Steel Holding	27	9	0.1%	3
Western Digital	6,800	2,300	1.2%	12
United States Steel	830	280	1.3%	4
Nike	6,700	2,200	2.2%	58
Apple	111,300	36,444	2.3%	3
Microsoft	76,400	24,400	3.1%	5
American Express	9,600	3,000	3.8%	23
Baxter International	12,200	3,800	3.9%	12
Oracle	26,200	8,000	4.5%	6
NetApp	2,500	758	4.7%	9
Symantec	2,800	830	5.4%	3
Jacobs Engineering Group	26	8	5.5%	12
Safeway	170	50	5.6%	8
FMC Technologies	1,524	440	6.1%	11
Wells Fargo	1,600	450	6.9%	75
Citigroup	43,800	11,700	8.3%	21
Air Products & Chemicals	5,525	1,400	9.7%	11
Bank of America Corp.	17,000	4,300	9.7%	264
Biogen Idec	3,800	950	10.0%	14
Total:	409,016	129,618	Ave: 3.3%	633

* See methodology for an explanation of how this number was calculated based on what these companies disclosed in their public 10-K filing with the SEC.

- **Nike:** The sneaker giant officially holds \$6.7 billion offshore for tax purposes, on which it would otherwise owe \$2.2 billion in U.S. taxes. That implies Nike pays a mere 2.2 percent tax rate to foreign governments on those offshore profits, suggesting nearly all of the money is held by subsidiaries in tax havens. Some of Nike's intellectual property is owned by a subsidiary in the Netherlands^a—a tax haven that American companies often use to funnel profits to other tax havens like Bermuda.²⁵ Nike discloses having 12 subsidiaries in

Bermuda^b that actually bear the names of their shoes like “Air Max Limited” and “Nike Flight.”²⁶

New data shows that in 2010, more than half of the foreign profits reported by all multinationals for that year were booked to tax havens

In the aggregate, recently released data show that American multinationals collectively reported to the IRS 2010 earnings of \$505 billion in 12 well known tax havens.

Table 4: Profits Reported Collectively by American Multinational Corporations in 2010 to 12 Notorious Tax Havens

Tax Haven Country	Reported Profits of U.S.-Controlled Subsidiaries (dollars in billions)	Gross Domestic Product (GDP)	Subsidiary profits as % of GDP
Bermuda	94	6	1643%
Cayman Islands	51	3	1600%
British Virgin Islands	10	1	1102%
Bahamas	10	8	123%
Luxembourg	55	52	106%
Ireland	87	208	42%
Netherlands Antilles	1	4	25%
Netherlands	127	772	16%
Cyprus	3	23	13%
Barbados	0	4	10%
Singapore	20	217	9%
Switzerland	47	551	9%
Total:	505	1,849	Ave: 27%
Total for all other countries in IRS Data	424	42,363	Ave: 1%

Source for profit and tax figures: IRS, Statistics of Income Division, April 2014

Source for GDP Figures: World Bank <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD>, United Nations Statistics Division <http://unstats.un.org/>

a Cited in a statement Nike made that was published in Allan Brettman, “Consumer groups say Nike and more than 300 other corporations keep billions overseas,” The Oregonian, 5 June 2014, http://www.oregonlive.com/playbooks-profits/index.ssf/2014/06/consumer_groups_say_nike_and_m.html#incart_m-rpt-1

b An earlier edition of this report said that Nike had licensed some of its intellectual property to its Bermuda subsidiaries. Since then, Nike released a statement explaining that all of its foreign intellectual property was owned by its subsidiary in the Netherlands – another tax haven. We welcome Nike's disclosure of this information. Nike did not dispute the fact that it pays an estimated 2.2 percent abroad on the profits it books offshore for tax purposes. It also did not comment specifically on what its 12 subsidiaries in Bermuda are used for.

That is more than half (54%) of the total profits American companies reported earning abroad that year. For the five tax havens where American companies booked the most profits, those reported earnings were greater than the size of those country's entire economies (as measured by GDP). This data indicates that there is little relationship between where American multinationals actually do

business, and where they report that they made their profits for tax purposes.

Approximately 64 percent of the companies with tax haven subsidiaries registered at least one in Bermuda or the Cayman Islands—the two tax havens where profits from American multinationals accounted for the largest percentage of the two countries' GDP.

Maximizing the benefit of offshore tax havens by reincorporating as a “foreign” company: a new wave of corporate “inversions”

Some American companies go as far as to change the address of their corporate headquarters on paper so they can reincorporate in a foreign country, a maneuver called an “inversion,” which reflects how the scheme stands the reality of the corporate structure on its head. Inversion increases the reward for exploiting offshore loopholes. In theory, an American company must pay U.S. tax on profits it claims were made offshore if it wants to officially bring the money back to the U.S. to pay out dividends to shareholders or make certain U.S. investments. However, once a corporation reregisters as foreign, the profits it claims were earned for tax purposes outside the U.S. become fully exempt from U.S. tax.

Even though a “foreign” corporation still must pay U.S. tax on profits it reports were earned in the U.S., corporate inversions are often followed by “earnings-stripping,” in which the corporation makes its remaining U.S. profits appear to be earned in other countries in order to avoid paying U.S. taxes on them. A corporation can do this by loading the American part of the company with debt owed to the foreign part of the company. The interest payments on the debt are tax deductible, officially reducing American

profits, which are effectively shifted to the foreign part of the company.²⁷

In 2004, Congress passed bipartisan legislation to crack down on inversions. The law now requires inverted companies that had at least 80 percent of the same shareholders as the pre-inversion parent to be treated as American companies for tax purposes, unless the company did “substantial business” in the country in which it was reincorporating.²⁸ The Treasury's definition of “substantial business” made this law difficult to game.²⁹

However, in recent years, companies have discovered a way to circumvent the bipartisan anti-inversion laws by acquiring a smaller foreign company so that shareholders of the foreign company own more than 20 percent of the newly merged company.³⁰ Walgreens and Pfizer—two quintessentially American companies—made headlines when it was revealed that they were considering mergers that would allow them to reincorporate abroad. A Bloomberg investigation found that 15 publicly traded companies have reincorporated abroad within the last few years, explaining that “most of their CEOs didn't leave. Just the tax bills did.”³¹

Firms Reporting Fewer Tax Haven Subsidiaries Do Not Necessarily Dodge Fewer Taxes Offshore

In 2008, the Government Accountability Office conducted a study which revealed that 83 of the top 100 publically traded companies operated subsidiaries in offshore tax havens. Today, some companies report fewer subsidiaries in tax haven countries than they did in 2008. Meanwhile, some of these same companies reported significant increases in how much cash they hold abroad, and pay such a low tax rate to foreign governments that it suggests the money is booked to tax havens.

One explanation for this phenomenon is that companies are choosing not to report certain subsidiaries that they previously disclosed. The SEC requires that companies report all “significant” subsidiaries based on multiple measures of a subsidiary’s share of the company’s total assets. Furthermore, if the combined assets of all subsidiaries deemed “insignificant” collectively qualified as a significant subsidiary, then the company would have to disclose them. But a recent academic study found that the penalties for not disclosing subsidiaries are so light that a company might decide that disclosure isn’t worth the bad publicity. The researchers postulate that increased media attention on offshore tax dodging and/or IRS scrutiny could be a reason why some companies have stopped disclosing all subsidiaries. Examining the case of Google, the academics found that it was so improbable that the company could only have two significant foreign subsidiaries that Google

“may have calculated that the SEC’s failure-to-disclose penalties are largely irrelevant and therefore may have determined that disclosure was not worth the potential costs associated with increases in either tax and/or negative publicity costs.”³² The researchers found that as of 2012, 23 no-longer-disclosed tax haven subsidiaries were still operating.

The other possibility is that companies are simply consolidating more income in fewer offshore subsidiaries, since having just one tax haven subsidiary is enough to dodge billions in taxes. For example, a 2013 Senate investigation of Apple found that the tech giant primarily uses two Irish subsidiaries—which own the rights to certain intellectual property—to hold on to \$102 billion in offshore cash. Manipulating tax loopholes in the U.S. and other countries, Apple has structured these subsidiaries so that they are not tax residents of either the U.S. or Ireland, ensuring that they pay no taxes to any government on the lion’s share of the money. One of the subsidiaries has no employees.³³

Examples of large companies that have reported fewer tax haven subsidiaries in recent years while simultaneously shifting more profits offshore include:

- **Citigroup** reported operating 427 tax haven subsidiaries in 2008 but disclosed only

21 in 2013. Over that time period, Citigroup increased the amount of cash it reported holding offshore from \$21.1 billion to \$43.8 billion, ranking the company 10th for the amount of cash booked offshore. The company estimates it would owe \$11.6 billion in taxes had it not booked those profits offshore. The company currently pays an 8.3 percent tax rate offshore, implying that most of those profits have been booked to low- or no-tax jurisdictions.

- **Google** reported operating 25 subsidiaries in tax havens in 2009, but since 2010 only discloses two, both in Ireland. During that period, it increased the amount of cash it had booked offshore from \$7.7 billion to \$38.9 billion. An academic analysis found that as of 2012, the 23 no-longer-disclosed tax haven subsidiaries were still operating.³⁴ Google uses accounting techniques nicknamed the “double Irish” and the “Dutch sandwich,” according to a Bloomberg investigation. Using two Irish subsidiaries,

one of which is headquartered in Bermuda, Google shifts profits through Ireland and the Netherlands to Bermuda, shrinking its tax bill by approximately \$2 billion a year.³⁵

- **Microsoft** reported operating 10 subsidiaries in tax havens in 2007; in 2013, it disclosed only five. During this same time period, the company increased the amount of money it held offshore from \$6.1 billion to \$76.4 billion, on which it would otherwise owe \$19.4 billion in U.S. taxes. That implies that the company pays a tax rate of just 3 percent to foreign governments on those profits, suggesting that most of the cash is booked to tax havens. Microsoft ranks 4th for the amount of cash it reports offshore. A Wall Street Journal investigation found that over 90 percent of Microsoft “offshore” cash was actually invested by its offshore subsidiaries in U.S. assets like Treasuries, allowing for the company to benefit from the stability of the U.S. financial system without paying taxes on those profits.³⁶

Measures to Stop Abuse of Offshore Tax Havens

Strong action to prevent corporations from using offshore tax havens will not only restore basic fairness to the tax system, but will alleviate pressure on America's budget deficit and improve the functioning of markets. Markets work best when companies thrive based on their innovation or productivity, rather than the aggressiveness of their tax accounting schemes.

Policymakers should reform the corporate tax code to end the incentives that encourage companies to use tax havens, close the most egregious loopholes, and increase transparency so that companies can't use layers of shell companies to shrink their tax burden.

End incentives to shift profits and jobs offshore.

- The most comprehensive solution to ending tax haven abuse would be to no longer permit U.S. multinational corporations to indefinitely defer paying U.S. taxes on the profits they attribute to their foreign subsidiaries. Instead, they should pay U.S. taxes on them immediately. "Double taxation" is not a danger because the companies already subtract any foreign taxes they've paid from their U.S. tax bill, and that would not change. Ending deferral would raise nearly \$600 billion in tax revenue over ten years, according to the Joint Committee on Taxation analysis of 2012 legislation.³⁶

- Reject a "territorial" tax system. Tax haven abuse would be worse under a system in which companies could temporarily shift profits to tax haven countries, pay minimal or no tax under those countries' tax laws, and then freely use the profits in the United States without paying any U.S. taxes. The Treasury Department estimates that switching to a territorial tax system could add \$130 billion to the deficit over ten years.³⁷

Close the most egregious offshore loopholes.

Policy makers can take some basic common-sense steps to curtail some of the most obvious and brazen ways that some companies abuse offshore tax havens.

- Stop companies from licensing intellectual property (e.g. patents, trademarks, licenses) to shell companies in tax haven countries and then paying inflated fees to use them. This common practice allows companies to legally book profits that were earned in the U.S. to the tax haven subsidiary owning the patent. Proposals made by President Obama could save taxpayers \$23.2 billion over ten years, according to the Joint Committee on Taxation.³⁸
- Treat the profits of publicly traded "foreign" corporations that are managed and

controlled in the United States as domestic corporations for income tax purposes.

- Reform the so-called “check-the-box” rules to stop multinational companies from manipulating how they define their corporate status to minimize their taxes. Right now, companies can make inconsistent claims to maximize their tax advantage, telling one country they are one type of corporate entity while telling another country the same entity is something else entirely.
- Close the current loophole that allows U.S. companies that shift income to foreign subsidiaries to place that money in foreign branches of American financial institutions without it being considered repatriated, and thus taxable. This “foreign” U.S. income should be taxed when the money is deposited in U.S. financial institutions.
- Stop companies from taking bigger tax credits than the law intends for the taxes they pay to foreign countries by reforming foreign tax credits. Proposals to “pool” foreign tax credits would save \$58.6 bil-

lion over ten years, according to the Joint Committee on Taxation.³⁹

- Stop companies from deducting interest expenses paid to their own offshore affiliates, which put off paying taxes on that income. Right now, an offshore subsidiary of a U.S. company can defer paying taxes on interest income it collects from the U.S.-based parent, even while the U.S. parent claims those interest payments as a tax deduction. This reform would save 51.4 billion over ten years, according to the Joint Committee on Taxation.⁴⁰

Increase transparency.

- Require full and honest reporting to expose tax haven abuse. Multinational corporations should report their profits on a country-by-country basis so they can’t mislead each nation about the share of their income that was taxed in the other countries. An annual survey of CEOs around the globe done by PricewaterhouseCoopers found that nearly 60 percent of the CEOs support this reform.⁴²

Methodology

To calculate the number of tax haven subsidiaries maintained by the Fortune 500 corporations, we used the same methodology as a 2008 study by the Government Accountability Office that used 2007 data (see endnote 4).

The list of 50 tax havens used is based on lists compiled by three sources using similar characteristics to define tax havens. These sources were the Organization for Economic Co-operation and Development (OECD), the National Bureau of Economic Research, and a U.S. District Court order. This court order gave the IRS the authority to issue a “John Doe” summons, which included a list of tax havens and financial privacy jurisdictions.

The companies surveyed make up the 2013 Fortune 500, a list of which can be found here: <http://money.cnn.com/magazines/fortune/fortune500/>.

To figure out how many subsidiaries each company had in the 50 known tax havens, we looked at “Exhibit 21” of each company’s 2013 10-K report, which is filed annually with the Securities and Exchange Commission (SEC).

Exhibit 21 lists out every reported subsidiary of the company and the country in which it is registered. We used the SEC’s EDGAR database to find the 10-K filings.

We also used 10-K reports to find the amount of money each company reported it kept offshore in 2013. This information is typically found in the tax footnote of the 10-K. The companies disclose this information as the amount they keep “permanently reinvested” abroad.

As explained in this report, 55 of the companies surveyed disclosed what their estimated tax bill would be if they repatriated the money they kept offshore. This information is also found in the tax footnote. To calculate the tax rate these companies paid abroad in 2013, we first divided the estimated tax bill by the total amount kept offshore. That number multiplied by 100 equals the U.S. tax rate the company would pay if they repatriated that foreign cash. Since companies receive dollar-for-dollar credits for taxes paid to foreign governments, the tax rate paid abroad is simply the difference between 35%—the U.S. statutory corporate tax rate—and the tax rate paid upon repatriation.

Appendix: Offshore Profits and Tax Haven Subsidiaries of Fortune 500 Companies

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Apple	3	Ireland(3)	111,300	2%	36,444	California
General Electric	18	Bahamas(1), Bermuda(3), Ireland(2), Luxembourg(3), Netherlands(5), Singapore(4)	110,000			Connecticut
Microsoft	5	Ireland(3), Luxembourg(1), Singapore(1)	76,400	3%	24,400	Washington
Pfizer	128	Bermuda(1), British Virgin Islands(1), Cayman Islands(1), Channel Islands(9), Costa Rica(2), Hong Kong(8), Ireland(28), Luxembourg(27), Netherlands(37), Panama(5), Singapore(7), Switzerland(2)	69,000			New York
Merck	131	Bermuda(12), Costa Rica(2), Cyprus(3), Hong Kong(4), Ireland(27), Lebanon(1), Luxembourg(1), Netherlands(46), Panama(5), Singapore(12), Switzerland(18)	57,100			New Jersey
International Business Machines	15	Bahamas(1), Barbados(1), Bermuda(1), Costa Rica(1), Hong Kong(1), Ireland(2), Luxembourg(1), Malta(1), Mauritius(1), Netherlands(2), Seychelles(1), Singapore(1), Switzerland(1)	52,300			New York
Johnson & Johnson	60	Hong Kong(1), Ireland(23), Luxembourg(4), Netherlands(11), Singapore(1), Switzerland(20)	50,900			New Jersey

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Cisco Systems	56	Bahrain(1), Bermuda(6), Cayman Islands(1), Channel Islands(1), Costa Rica(1), Cyprus(1), Hong Kong(9), Ireland(9), Jordan(1), Luxembourg(2), Mauritius(2), Netherlands(12), Panama(1), Singapore(7), Switzerland(2)	48,000			California
Exxon Mobil	38	Bahamas(19), Bermuda(1), Cayman Islands(1), Hong Kong(3), Luxembourg(5), Netherlands(7), Singapore(2)	47,000			Texas
Citigroup	21	Bahamas(4), Bermuda(2), Cayman Islands(2), Hong Kong(4), Ireland(3), Netherlands(1), Singapore(3), Switzerland(2)	43,800	8%	11,700	New York
Procter & Gamble	32	Costa Rica(1), Hong Kong(1), Ireland(1), Lebanon(1), Luxembourg(3), Netherlands(14), Panama(1), Singapore(3), Switzerland(7)	42,000			Ohio
Google	2	Ireland(2)	38,900			California
Hewlett-Packard	27	Bermuda(1), Cayman Islands(3), Costa Rica(1), Cyprus(1), Hong Kong(3), Ireland(3), Luxembourg(1), Macau(1), Netherlands(7), Singapore(4), Switzerland(2)	38,200			California
PepsiCo	137	Barbados(1), Bermuda(16), British Virgin Islands(1), Cayman Islands(5), Costa Rica(2), Cyprus(15), Gibraltar (3), Hong Kong(10), Ireland(13), Jordan(1), Liechtenstein(1), Luxembourg(25), Mauritius(2), Netherlands(33), Panama(1), Singapore(2), Switzerland(6)	34,100			New York
Chevron	13	Bahamas(2), Bermuda(9), Liberia(1), Singapore(1)	31,300			California
Coca-Cola	13	Cayman Islands(3), Costa Rica(1), Hong Kong(1), Ireland(2), Luxembourg(1), Netherlands(1), Singapore(3), South Pacific Cook Islands(1)	30,600			Georgia

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
J.P. Morgan Chase & Co.	83	Bahamas(1), Barbados(1), Bermuda(2), British Virgin Islands(4), Cayman Islands(19), Channel Islands(6), Cyprus(1), Hong Kong(9), Luxembourg(7), Mauritius(16), Netherlands(5), Singapore(8), Switzerland(4)	28,500	13%	6,400	New York
Oracle	6	Ireland(6)	26,200	4%	8,000	California
Amgen	8	Bermuda(3), Ireland(1), Netherlands(2), Switzerland(2)	25,500	0%	9,100	California
United Technologies	27	Cayman Islands(1), Gibraltar (2), Hong Kong(2), Ireland(1), Luxembourg(8), Netherlands(8), Singapore(1), Switzerland(4)	25,000			Connecticut
Abbott Laboratories	79	Bahamas(2), Barbados(1), Bermuda(5), Cayman Islands(4), Costa Rica(2), Cyprus(1), Gibraltar (4), Hong Kong(3), Ireland(13), Lebanon(1), Luxembourg(7), Malta(1), Netherlands(22), Panama(2), Singapore(5), Switzerland(5), U.S. Virgin Islands(1)	24,000			Illinois
Bristol-Myers Squibb	10	Cayman Islands(1), Ireland(4), Luxembourg(1), Netherlands(2), Panama(1), Singapore(1)	24,000			New York
Eli Lilly	26	Bermuda(2), British Virgin Islands(3), Cayman Islands(4), Ireland(5), Netherlands(2), Singapore(2), Switzerland(7), U.S. Virgin Islands(1)	23,740	0%	8,309	Indiana
Goldman Sachs Group	15	Bermuda(1), British Virgin Islands(1), Cayman Islands(8), Hong Kong(1), Mauritius(2), Singapore(2)	22,540	17%	4,060	New York
Qualcomm	11	Bermuda(3), British Virgin Islands(2), Hong Kong(2), Macau(1), Mauritius(1), Singapore(2)	21,600	0%	7,600	California
Wal-Mart Stores			21,400			Arkansas
Medtronic	37	British Virgin Islands(1), Cayman Islands(5), Ireland(6), Lebanon(1), Luxembourg(5), Netherlands(8), Singapore(2), Switzerland(9)	20,499			Minnesota

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Intel	13	Cayman Islands(6), Costa Rica(1), Hong Kong(2), Ireland(1), Netherlands(3)	20,000			California
Dell	79	Bahrain(1), Barbados(1), Bermuda(2), British Virgin Islands(2), Cayman Islands(4), Channel Islands(1), Costa Rica(2), Hong Kong(6), Ireland(9), Jordan(1), Lebanon(1), Luxembourg(3), Mauritius(2), Netherlands(27), Panama(1), Singapore(11), Switzerland(5)	19,000			Texas
Apache	61	Cayman Islands(46), Luxembourg(10), Netherlands(1), Singapore(2), St. Lucia(1), Switzerland(1)	17,000			Texas
Bank of America Corp.	264	Bahamas(2), Bermuda(3), Cayman Islands(143), Channel Islands(17), Costa Rica(1), Gibraltar (4), Hong Kong(8), Ireland(11), Luxembourg(18), Mauritius(6), Netherlands(32), Panama(1), Singapore(10), Switzerland(4), Turks and Caicos(1), U.S. Virgin Islands(3)	17,000	10%	4,300	North Carolina
Caterpillar	74	Bermuda(8), Cayman Islands(2), Channel Islands(1), Costa Rica(1), Hong Kong(10), Ireland(2), Luxembourg(9), Netherlands(14), Panama(3), Singapore(11), Switzerland(13)	17,000			Illinois
Dow Chemical	93	Bahrain(3), Bermuda(7), Costa Rica(2), Hong Kong(8), Ireland(2), Luxembourg(3), Mauritius(2), Netherlands(42), Panama(1), Singapore(12), Switzerland(10), U.S. Virgin Islands(1)	16,139			Michigan
McDonald's	11	Hong Kong(1), Ireland(1), Luxembourg(2), Netherlands(1), Singapore(2), Switzerland(4)	16,100			Illinois
DuPont	21	Bermuda(2), Hong Kong(1), Luxembourg(10), Netherlands(5), Singapore(1), Switzerland(2)	15,978			Delaware

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
eBay	41	British Virgin Islands(1), Cayman Islands(1), Hong Kong(2), Ireland(5), Luxembourg(17), Mauritius(3), Netherlands(3), Singapore(4), Switzerland(5)	14,000			California
Honeywell International	5	Luxembourg(1), Singapore(1), Switzerland(3)	13,500			New Jersey
Corning	11	Cayman Islands(1), Ireland(1), Luxembourg(4), Mauritius(1), Netherlands(3), Singapore(1)	12,400			New York
Mondelez International	83	Bahamas(1), Bahrain(1), Costa Rica(2), Cyprus(1), Hong Kong(3), Ireland(14), Lebanon(2), Luxembourg(3), Mauritius(1), Netherlands(28), Panama(2), Singapore(10), Switzerland(14), U.S. Virgin Islands(1)	12,400			Illinois
Baxter International	12	Costa Rica(1), Netherlands(3), Singapore(1), Switzerland(7)	12,200	4%	3,800	Illinois
Boston Scientific	42	Bermuda(2), Costa Rica(2), Hong Kong(2), Ireland(12), Lebanon(4), Netherlands(14), Singapore(2), Switzerland(4)	11,902			Massachusetts
Danaher	28	Hong Kong(4), Ireland(4), Netherlands(9), Singapore(6), Switzerland(5)	10,600			District of Columbia
Occidental Petroleum	57	Bermuda(32), Cayman Islands(4), Netherlands(5), Singapore(2), St. Kitts and Nevis(12), Switzerland(2)	10,600	34%	134	California
EMC	4	Ireland(3), Netherlands(1)	10,200			Massachusetts
Kimberly-Clark	44	Bahrain(1), Barbados(1), Bermuda(2), British Virgin Islands(1), Cayman Islands(7), Channel Islands(2), Costa Rica(1), Cyprus(1), Hong Kong(2), Luxembourg(4), Malta(1), Netherlands(10), Panama(2), Singapore(8), Switzerland(1)	9,800			Texas
3M	12	Hong Kong(1), Luxembourg(3), Netherlands(1), Singapore(4), Switzerland(3)	9,700			Minnesota
American Express	23	Bahrain(1), Channel Islands(5), Hong Kong(2), Luxembourg(4), Netherlands(6), Netherlands Antilles(1), Singapore(2), Switzerland(2)	9,600	4%	3,000	New York

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Berkshire Hathaway	9	Cayman Islands(1), Gibraltar(2), Luxembourg(2), Netherlands(4)	9,300			Nebraska
Praxair	22	Bahrain(1), Costa Rica(1), Ireland(3), Luxembourg(4), Mauritius(1), Netherlands(4), Panama(1), Singapore(5), Switzerland(2)	9,300			Connecticut
Illinois Tool Works	105	Bermuda(11), British Virgin Islands(7), Costa Rica(2), Hong Kong(12), Ireland(6), Luxembourg(11), Malta(1), Mauritius(2), Netherlands(31), Singapore(15), Switzerland(7)	9,000			Illinois
Gilead Sciences	10	Hong Kong(1), Ireland(6), Luxembourg(1), Netherlands(1), Switzerland(1)	8,550	0%	3,000	California
Liberty Global	104	Cayman Islands(5), Channel Islands(3), Cyprus(1), Hong Kong(3), Ireland(14), Luxembourg(9), Netherlands(61), Singapore(1), Switzerland(7)	8,000			Colorado
Xerox	52	Barbados(4), Bermuda(8), Channel Islands(1), Cyprus(1), Hong Kong(3), Ireland(7), Luxembourg(3), Malta(1), Mauritius(1), Netherlands(15), Singapore(2), St. Lucia(1), Switzerland(4), Turks and Caicos(1)	8,000			Connecticut
Archer Daniels Midland	6	Cayman Islands(2), Netherlands(3), Switzerland(1)	7,500			Illinois
Ford Motor	4	Mauritius(1), Netherlands(2), Switzerland(1)	7,500	22%	1,000	Michigan
Hess	7	Cayman Islands(6), Netherlands(1)	7,500			New York
Emerson Electric	86	Bahrain(2), Bermuda(2), British Virgin Islands(1), Cayman Islands(4), Channel Islands(1), Costa Rica(1), Hong Kong(14), Ireland(4), Luxembourg(1), Mauritius(3), Netherlands(25), Panama(1), Singapore(14), Switzerland(13)	7,100			Missouri

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Stryker	38	Barbados(1), British Virgin Islands(1), Cayman Islands(1), Hong Kong(6), Ireland(6), Lebanon(1), Luxembourg(2), Mauritius(1), Netherlands(12), Panama(1), Singapore(1), Switzerland(5)	7,023			Michigan
Texas Instruments	17	British Virgin Islands(1), Hong Kong(7), Ireland(2), Luxembourg(2), Netherlands(2), Singapore(3)	6,870			Texas
Western Digital	12	Cayman Islands(3), Hong Kong(1), Ireland(1), Netherlands(2), Singapore(5)	6,800	1%	2,300	California
General Motors	21	Bermuda(2), Cayman Islands(2), Hong Kong(1), Ireland(1), Netherlands(9), Singapore(2), Switzerland(4)	6,700			Michigan
Nike	58	Bermuda(12), Costa Rica(1), Hong Kong(9), Netherlands(32), Singapore(3), Switzerland(1)	6,700	2%	2,200	Oregon
Murphy Oil	24	Bahamas(23), Singapore(1),	6,677	25%	651	Arkansas
Morgan Stanley	226	Bermuda(4), Cayman Islands(107), Channel Islands(10), Cyprus(3), Gibraltar (4), Hong Kong(11), Ireland(6), Luxembourg(37), Malta(1), Mauritius(5), Netherlands(27), Singapore(8), Switzerland(3)	6,675	24%	736	New York
Franklin Resources	34	Bahamas(2), Bermuda(1), British Virgin Islands(1), Cayman Islands(12), Channel Islands(2), Hong Kong(4), Ireland(2), Luxembourg(4), Mauritius(1), Singapore(3), Switzerland(2)	6,400			California
Celgene	24	Hong Kong(2), Ireland(2), Luxembourg(2), Netherlands(4), Singapore(1), Switzerland(13)	6,129			New Jersey
Agilent Technologies	11	Cayman Islands(1), Ireland(1), Luxembourg(2), Netherlands(2), Singapore(4), Switzerland(1)	6,100			California
Halliburton	14	Barbados(1), Bermuda(1), Cayman Islands(2), Luxembourg(2), Netherlands(6), Singapore(1), Switzerland(1)	6,100			Texas

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
National Oilwell Varco	94	Aruba(1), Bahrain(1), Barbados(2), Bermuda(1), British Virgin Islands(3), Cayman Islands(7), Channel Islands(1), Cyprus(1), Malta(1), Mauritius(2), Netherlands(46), Netherlands Antilles(1), Singapore(24), Switzerland(3)	6,045			Texas
Thermo Fisher Scientific	144	Barbados(3), Bermuda(4), British Virgin Islands(1), Cayman Islands(10), Channel Islands(1), Costa Rica(1), Gibraltar (2), Hong Kong(11), Ireland(7), Luxembourg(19), Malta(3), Netherlands(54), Singapore(11), Switzerland(17)	5,970			Massachusetts
Las Vegas Sands	46	Bermuda(1), Cayman Islands(23), Hong Kong(4), Macau(10), Mauritius(1), Netherlands(5), Singapore(2)	5,940			Nevada
Baker Hughes	8	Luxembourg(4), Netherlands(4)	5,900			Texas
Mattel	9	Bermuda(2), Hong Kong(1), Netherlands(5), Singapore(1)	5,900			California
H.J. Heinz	10	Cayman Islands(1), Cyprus(1), Gibraltar (1), Hong Kong(1), Netherlands(4), Singapore(2)	5,700			Pennsylvania
Johnson Controls			5,700			Wisconsin
Air Products & Chemicals	11	Bahrain(1), Bermuda(1), Ireland(1), Netherlands(5), Singapore(2), Switzerland(1)	5,525	10%	1,400	Pennsylvania
Bank of New York Mellon Corp.	1	Channel Islands(1)	5,300	14%	1,100	New York
Alcoa	2	Luxembourg(1), Netherlands(1)	5,200			New York
Marsh & McLennan	110	Aruba(1), Bahamas(1), Bahrain(1), Barbados(5), Bermuda(23), British Virgin Islands(1), Cayman Islands(2), Channel Islands(3), Cyprus(2), Hong Kong(11), Ireland(16), Isle of Man(4), Jordan(1), Liechtenstein(1), Luxembourg(4), Macau(1), Malta(2), Mauritius(1), Netherlands(12), Singapore(9), Switzerland(9)	5,200			New York

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
International Paper	18	Bermuda(1), British Virgin Islands(1), Hong Kong(3), Luxembourg(4), Netherlands(4), Singapore(4), Switzerland(1)	5,100			Tennessee
Western Union	46	Barbados(1), Bermuda(13), Costa Rica(1), Hong Kong(2), Ireland(12), Luxembourg(5), Malta(3), Panama(2), Singapore(5), Switzerland(2)	5,000			Colorado
Priceline.com	3	Mauritius(1), Netherlands(2)	4,900			Connecticut
Cognizant Technology Solutions	19	Channel Islands(2), Costa Rica(1), Cyprus(1), Hong Kong(2), Ireland(1), Isle of Man(1), Luxembourg(1), Mauritius(3), Netherlands(3), Singapore(2), Switzerland(2)	4,828			New Jersey
Cameron International	56	Barbados(1), Bermuda(1), Cayman Islands(11), Hong Kong(1), Ireland(4), Luxembourg(24), Malta(1), Netherlands(9), Singapore(4)	4,700			Texas
Colgate-Palmolive	11	British Virgin Islands(1), Hong Kong(2), Ireland(1), Netherlands(2), Singapore(3), Switzerland(2)	4,700			New York
Broadcom	5	Bermuda(1), Cayman Islands(3), Singapore(1)	4,580			California
Stanley Black & Decker	98	Bermuda(1), British Virgin Islands(4), Cayman Islands(8), Costa Rica(1), Hong Kong(10), Ireland(20), Liechtenstein(1), Luxembourg(12), Macau(1), Netherlands(20), Panama(4), Singapore(9), Switzerland(7)	4,439			Maryland
Becton Dickinson	38	Bermuda(2), British Virgin Islands(1), Cayman Islands(3), Gibraltar (4), Hong Kong(1), Ireland(4), Luxembourg(8), Mauritius(1), Netherlands(5), Singapore(5), Switzerland(4)	4,400			New Jersey
Paccar	6	Netherlands(6)	4,400	16%	850	Washington
Autoliv	3	Netherlands(3)	4,300			Michigan
Deere	5	Luxembourg(3), Singapore(1), Switzerland(1)	4,297			Illinois
McKesson	1	Ireland(1)	4,200			California

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
United Parcel Service	4	Hong Kong(1), Netherlands(1), Singapore(1), U.S. Virgin Islands(1)	4,130			Georgia
CBS	53	Bahamas(8), Bermuda(3), British Virgin Islands(1), Cayman Islands(11), Cyprus(1), Luxembourg(6), Netherlands(16), Netherlands Antilles(1), Panama(1), Singapore(2), Switzerland(3)	4,040			New York
PPG Industries	24	British Virgin Islands(1), Hong Kong(2), Ireland(1), Luxembourg(2), Netherlands(12), Singapore(3), Switzerland(3)	3,900	29%	250	Pennsylvania
Allergan	28	Bermuda(4), Cayman Islands(2), Costa Rica(1), Hong Kong(2), Ireland(10), Luxembourg(2), Netherlands(3), Netherlands Antilles(1), Singapore(1), Switzerland(2)	3,828			California
Biogen Idec	14	Bermuda(1), Hong Kong(1), Ireland(1), Isle of Man(2), Luxembourg(1), Netherlands(2), Singapore(1), Switzerland(5)	3,800	10%	950	Massachusetts
Goodyear Tire & Rubber	12	Bermuda(1), Ireland(2), Luxembourg(4), Mauritius(1), Netherlands(2), Singapore(1), Switzerland(1)	3,800			Ohio
Visa	1	Singapore(1)	3,800			California
Costco Wholesale			3,619			Washington
St. Jude Medical	10	Costa Rica(1), Hong Kong(1), Luxembourg(2), Netherlands(2), Singapore(2), Switzerland(2)	3,600			Minnesota
MasterCard	21	Barbados(1), Costa Rica(1), Hong Kong(1), Ireland(6), Mauritius(1), Netherlands(3), Panama(1), Singapore(7)	3,500			New York
State Street Corp.	5	Cayman Islands(1), Ireland(2), Luxembourg(1), Switzerland(1)	3,500	15%	690	Massachusetts
Valero Energy	15	Aruba(5), British Virgin Islands(3), Cayman Islands(2), Ireland(2), Luxembourg(1), Netherlands(2)	3,500			Texas

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Whirlpool	33	Bermuda(2), British Virgin Islands(1), Hong Kong(6), Ireland(2), Luxembourg(11), Mauritius(1), Netherlands(5), Netherlands Antilles(1), Singapore(1), Switzerland(3)	3,500			Michigan
TRW Automotive Holdings	10	Cayman Islands(1), Luxembourg(2), Mauritius(1), Netherlands(4), Singapore(1), Switzerland(1)	3,400			Michigan
MetLife	29	Bermuda(1), Cayman Islands(9), Cyprus(2), Hong Kong(4), Ireland(9), Singapore(1), Switzerland(2), U.S. Virgin Islands(1)	3,300			New York
Monsanto	7	British Virgin Islands(1), Luxembourg(1), Netherlands(4), Switzerland(1)	3,300			Missouri
Sempra Energy	4	Netherlands(4)	3,300			California
Starwood Hotels & Resorts	3	Luxembourg(2), Singapore(1)	3,300			New York
ConocoPhillips	21	Bahamas(1), Bermuda(5), British Virgin Islands(1), Cayman Islands(5), Liberia(2), Luxembourg(1), Netherlands(5), Singapore(1)	3,222			Texas
Celanese	14	Bermuda(1), Cayman Islands(3), Cyprus(1), Hong Kong(1), Luxembourg(2), Netherlands(3), Singapore(3)	3,200			Texas
Owens-Illinois	18	Bermuda(1), Hong Kong(6), Mauritius(1), Netherlands(8), Singapore(1), Switzerland(1)	3,200			Ohio
AGCO	15	Hong Kong(1), Ireland(2), Netherlands(9), Singapore(1), Switzerland(2)	3,100			Georgia
Cummins	24	Barbados(1), Costa Rica(1), Hong Kong(3), Netherlands(12), Panama(2), Singapore(5)	3,100			Indiana
Home Depot			3,100			Georgia
BlackRock	40	Cayman Islands(5), Channel Islands(6), Cyprus(1), Hong Kong(4), Ireland(5), Isle of Man(4), Luxembourg(6), Netherlands(1), Singapore(5), Switzerland(3)	3,074			New York

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Genworth Financial	10	Bermuda(3), Cayman Islands(1), Channel Islands(1), Hong Kong(2), Ireland(2), Mauritius(1)	3,019			Virginia
Computer Sciences	26	Bahrain(1), Costa Rica(1), Hong Kong(2), Ireland(5), Luxembourg(5), Netherlands(4), Singapore(7), Switzerland(1)	2,977			Virginia
PPL			2,900			Pennsylvania
Arrow Electronics	51	British Virgin Islands(1), Cayman Islands(3), Channel Islands(1), Hong Kong(15), Ireland(1), Luxembourg(1), Mauritius(1), Netherlands(11), Seychelles(1), Singapore(15), Switzerland(1)	2,813			New York
Symantec	3	Ireland(2), Singapore(1)	2,800	5%	830	California
Avnet	50	British Virgin Islands(3), Hong Kong(20), Ireland(5), Macau(2), Netherlands(8), Singapore(10), Switzerland(2)	2,700			Arizona
EOG Resources	26	Cayman Islands(15), Hong Kong(1), Netherlands(5), St. Kitts and Nevis(5)	2,700			Texas
General Mills	55	Bermuda(7), Gibraltar(1), Hong Kong(7), Ireland(1), Lebanon(2), Luxembourg(3), Mauritius(2), Netherlands(18), Panama(1), Singapore(5), Switzerland(8)	2,700			Minnesota
Mosaic	4	Luxembourg(1), Netherlands(3)	2,700			Minnesota
Parker Hannifin	49	Bermuda(4), Gibraltar(2), Hong Kong(2), Ireland(3), Luxembourg(11), Netherlands(19), Singapore(3), Switzerland(5)	2,700			Ohio
Yahoo	17	British Virgin Islands(1), Cayman Islands(2), Hong Kong(3), Ireland(3), Jordan(1), Mauritius(1), Netherlands(2), Singapore(2), Switzerland(2)	2,600			California

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Yum Brands	43	Bahrain(1), British Virgin Islands(1), Cayman Islands(2), Cyprus(1), Hong Kong(10), Luxembourg(12), Macau(1), Malta(5), Mauritius(1), Netherlands(4), Singapore(4), Switzerland(1),	2,600			Kentucky
VF	29	Cayman Islands(1), Gibraltar (2), Hong Kong(3), Luxembourg(12), Mauritius(1), Netherlands(3), Singapore(1), Switzerland(6)	2,533			North Carolina
Amazon.com	2	Luxembourg(2)	2,500			Washington
NetApp	9	Bermuda(1), Cyprus(1), Hong Kong(1), Ireland(1), Luxembourg(1), Netherlands(3), Singapore(1)	2,500	5%	758	California
Rockwell Automation	5	Ireland(1), Netherlands(1), Singapore(2), Switzerland(1)	2,427			Wisconsin
Loews	6	Bermuda(2), Cayman Islands(2), Channel Islands(1), Netherlands(1)	2,400			New York
BorgWarner	2	Ireland(1), Monaco(1)	2,300			Michigan
CA	22	Bahrain(1), Bermuda(2), Cayman Islands(2), Cyprus(1), Hong Kong(1), Luxembourg(1), Netherlands(10), Singapore(2), Switzerland(2)	2,220			New York
Applied Materials	21	Cayman Islands(1), Gibraltar (1), Hong Kong(3), Ireland(1), Luxembourg(5), Netherlands(4), Singapore(3), Switzerland(3)	2,200			California
Kellogg	33	Bermuda(3), Cayman Islands(2), Costa Rica(1), Cyprus(1), Hong Kong(2), Ireland(8), Luxembourg(8), Malta(1), Netherlands(2), Panama(1), Singapore(1), Switzerland(3)	2,200			Michigan
Avery Dennison	69	British Virgin Islands(9), Channel Islands(1), Gibraltar (2), Hong Kong(8), Ireland(2), Luxembourg(13), Mauritius(2), Netherlands(24), Singapore(5), Switzerland(3)	2,100			California
Dover	2	Barbados(1), Cayman Islands(1)	2,100			Illinois

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Spectra Energy	2	Luxembourg(2)	2,100			Texas
Verizon Communications			2,100			New York
Viacom	37	Bahamas(1), Barbados(1), Cayman Islands(7), Hong Kong(1), Mauritius(1), Netherlands(24), Singapore(1), Switzerland(1)	2,100	18%	368	New York
Ingram Micro	44	Barbados(1), Bermuda(1), British Virgin Islands(6), Cayman Islands(4), Costa Rica(2), Hong Kong(4), Lebanon(1), Luxembourg(7), Mauritius(2), Netherlands(7), Singapore(7), Switzerland(2)	2,000			California
Jabil Circuit	40	Bermuda(1), British Virgin Islands(7), Cayman Islands(4), Channel Islands(1), Hong Kong(8), Ireland(3), Luxembourg(3), Mauritius(2), Netherlands(6), Singapore(5)	2,000			Florida
Estée Lauder	2	Luxembourg(1), Switzerland(1)	1,980			New York
Prudential Financial	31	Barbados(1), Bermuda(4), British Virgin Islands(1), Cayman Islands(12), Channel Islands(2), Hong Kong(2), Ireland(1), Luxembourg(5), Singapore(3)	1,973			New Jersey
Interpublic Group	1	Netherlands(1)	1,960			New York
Corn Products International	9	Luxembourg(4), Mauritius(2), Netherlands(2), Singapore(1)	1,931			Illinois
NCR	36	Bahrain(2), Bermuda(6), Cyprus(4), Hong Kong(1), Ireland(4), Luxembourg(6), Macau(1), Netherlands(6), Panama(1), Singapore(3), Switzerland(2)	1,900			Georgia
Starbucks	21	Cayman Islands(1), Costa Rica(2), Cyprus(1), Hong Kong(6), Luxembourg(1), Netherlands(6), Singapore(2), Switzerland(2)	1,900			Washington
Polo Ralph Lauren	21	Hong Kong(5), Ireland(1), Macau(1), Monaco(1), Netherlands(5), Panama(2), Singapore(2), Switzerland(4)	1,899			New York

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Cardinal Health	10	Bermuda(1), Cayman Islands(2), Hong Kong(1), Ireland(1), Luxembourg(1), Malta(1), Netherlands(1), Singapore(1), Switzerland(1)	1,800			Ohio
Micron Technology	3	Netherlands(2), Singapore(1)	1,800			Idaho
Phillips-Van Heusen	45	Barbados(1), British Virgin Islands(4), Cyprus(1), Hong Kong(8), Ireland(3), Luxembourg(1), Macau(1), Netherlands(21), Netherlands Antilles(1), Singapore(1), Switzerland(3)	1,723			New York
Duke Energy	26	Bermuda(15), Cayman Islands(5), Netherlands(6)	1,700	18%	288	North Carolina
General Dynamics	15	Bermuda(1), Cyprus(1), Gibraltar (1), Hong Kong(2), Netherlands(1), Singapore(2), Switzerland(7)	1,700			Virginia
Phillips	17	Bermuda(4), Cayman Islands(7), Ireland(4), Singapore(1), Switzerland(1)	1,700			Texas
SPX	36	Cayman Islands(8), Hong Kong(7), Ireland(2), Luxembourg(7), Mauritius(1), Netherlands(6), Singapore(5)	1,634			North Carolina
Ecolab	91	Antigua and Barbuda(1), Aruba(1), Bahamas(1), Barbados(1), Bermuda(1), Cayman Islands(2), Channel Islands(1), Costa Rica(1), Cyprus(1), Hong Kong(4), Ireland(4), Luxembourg(10), Macau(1), Malta(3), Mauritius(1), Netherlands(41), Panama(2), Singapore(6), St. Lucia(1), Switzerland(6), U.S. Virgin Islands(2)	1,600			Minnesota
Gap	7	Hong Kong(3), Ireland(1), Netherlands(2), Singapore(1)	1,600	22%	203	California
Wells Fargo	75	Aruba(1), Bahamas(2), Bermuda(5), British Virgin Islands(3), Cayman Islands(29), Costa Rica(1), Hong Kong(6), Ireland(2), Luxembourg(8), Mauritius(7), Netherlands(6), Singapore(4), Turks and Caicos(1)	1,600	7%	450	California

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FMC Technologies	11	Luxembourg(2), Netherlands(6), Singapore(1), Switzerland(2)	1,524	6%	440	Texas
Devon Energy			1,500			Oklahoma
Omnicom Group	7	Hong Kong(5), Singapore(2)	1,500			New York
Walt Disney	11	Cayman Islands(1), Hong Kong(2), Luxembourg(3), Netherlands(4), Singapore(1)	1,500	14%	315	California
MeadWestvaco	2	Luxembourg(2)	1,470			Virginia
Marathon Oil	70	Bahamas(1), Barbados(1), Bermuda(2), Cayman Islands(48), Cyprus(1), Liberia(1), Netherlands(15), Switzerland(1)	1,438			Texas
Best Buy	13	Bermuda(1), Hong Kong(2), Luxembourg(1), Mauritius(7), Netherlands(1), Turks and Caicos(1)	1,400			Minnesota
Motorola Solutions			1,400			Illinois
Capital One Financial			1,300			Virginia
FedEx	22	Antigua and Barbuda(1), Bahamas(1), Barbados(1), Bermuda(1), Cayman Islands(2), Costa Rica(1), FedEx(1), Ireland(3), Netherlands(3), Netherlands Antilles(2), Singapore(2), St. Kitts and Nevis(1), St. Lucia(1), Turks and Caicos(1), U.S. Virgin Islands(1)	1,300			Tennessee
Owens Corning	17	Cayman Islands(2), Hong Kong(1), Netherlands(13), Singapore(1)	1,270	14%	264	Ohio
Actavis	69	Bermuda(4), British Virgin Islands(6), Cyprus(3), Gibraltar (2), Hong Kong(3), Ireland(7), Isle of Man(1), Luxembourg(14), Malta(12), Netherlands(10), Singapore(3), Switzerland(4)	1,258			New Jersey
Cliffs Natural Resources	6	Gibraltar (2), Luxembourg(2), Netherlands(2)	1,200			Ohio

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Jarden	26	Bahamas(2), Bermuda(1), Cayman Islands(2), Costa Rica(1), Hong Kong(9), Luxembourg(4), Macau(1), Netherlands(3), Switzerland(3)	1,200			New York
Mohawk Industries	31	Barbados(1), Hong Kong(2), Ireland(3), Luxembourg(12), Mauritius(1), Netherlands(8), Singapore(2), Switzerland(2)	1,200			Georgia
Reinsurance Group of America	10	Barbados(5), Bermuda(1), Ireland(1), Netherlands(2), Singapore(1)	1,154			Missouri
Precision Castparts	11	Bermuda(1), Cayman Islands(2), Hong Kong(2), Ireland(1), Luxembourg(4), Singapore(1)	1,114			Oregon
CB Richard Ellis Group	2	Channel Islands(1), Luxembourg(1)	1,100			California
Cigna	11	Bahrain(1), Bermuda(2), Channel Islands(1), Hong Kong(4), Netherlands(3)	1,100	20%	160	Pennsylvania
World Fuel Services	32	Bahamas(1), British Virgin Islands(1), Cayman Islands(4), Costa Rica(6), Gibraltar (2), Ireland(1), Luxembourg(2), Netherlands(9), Panama(3), Singapore(3)	1,100			Florida
Sysco	19	Bahamas(2), Cayman Islands(6), Hong Kong(2), Ireland(6), Netherlands(3)	1,052			Texas
Seaboard	32	Bahamas(1), Bermuda(16), Cayman Islands(2), Costa Rica(1), Isle of Man(1), Liberia(2), Mauritius(6), Netherlands(1), Panama(1), Singapore(1)	1,019			Kansas
CF Industries Holdings	5	Barbados(1), Luxembourg(2), Switzerland(2)	1,000			Illinois
Time Warner	5	Netherlands(4), Singapore(1)	1,000			New York
Unum Group	1	Ireland(1)	1,000			Tennessee
Lear	14	Cayman Islands(2), Hong Kong(1), Luxembourg(7), Netherlands(3), Singapore(1)	948			Michigan
McGraw-Hill	15	Cayman Islands(1), Hong Kong(2), Ireland(1), Luxembourg(4), Singapore(6), Switzerland(1)	930			New York

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Automatic Data Processing	3	Netherlands(3)	910			New Jersey
Foot Locker	16	Ireland(4), Netherlands(11), Switzerland(1)	890			New York
Tenneco	7	Hong Kong(1), Luxembourg(2), Mauritius(3), Netherlands(1)	858	16%	159	Illinois
AECOM Technology			852			California
General Cable	13	Cayman Islands(2), Channel Islands(1), Costa Rica(1), Hong Kong(2), Mauritius(3), Netherlands(1), Panama(3)	850			kentucky
United States Steel	4	Barbados(1), Netherlands(3)	830	1%	280	Pennsylvania
Terex	18	Bermuda(1), British Virgin Islands(1), Cayman Islands(2), Hong Kong(1), Ireland(2), Mauritius(1), Netherlands(6), Singapore(2), Switzerland(2)	825			Connecticut
Joy Global	6	Barbados(1), Cayman Islands(2), Hong Kong(1), Mauritius(1), Netherlands(1)	823			Michigan
Eastman Chemical	42	Cayman Islands(1), Gibraltar (1), Hong Kong(5), Luxembourg(8), Malta(1), Mauritius(1), Netherlands(14), Singapore(10), Switzerland(1)	813			Tennessee
Waste Management	2	Hong Kong(2)	800			Texas
Textron	5	Barbados(1), Netherlands(2), Singapore(2)	778			Rhode Island
SanDisk	4	Cayman Islands(1), Ireland(2), Netherlands(1)	752			California
Campbell Soup	9	Hong Kong(4), Luxembourg(1), Netherlands(3), Singapore(1)	741			New Jersey

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Marriott International	97	Anguilla(1), Aruba(3), Bahamas(2), Bahrain(1), Barbados(1), Bermuda(6), British Virgin Islands(8), Cayman Islands(10), Channel Islands(3), Costa Rica(1), Hong Kong(9), Ireland(4), Jordan(3), Lebanon(1), Luxembourg(7), Maldives(1), Malta(1), Netherlands(17), Panama(1), Singapore(4), St. Kitts and Nevis(2), St. Lucia(1), Switzerland(6), Turks and Caicos(1), U.S. Virgin Islands(3)	739			Maryland
Manpower	43	Bahrain(1), British Virgin Islands(1), Costa Rica(2), Cyprus(1), Hong Kong(5), Ireland(5), Luxembourg(4), Macau(1), Monaco(1), Netherlands(11), Panama(3), Singapore(4), Switzerland(4)	738			Wisconsin
Avis Budget Group	22	Barbados(1), Channel Islands(5), Isle of Man(3), Luxembourg(3), Monaco(1), Netherlands(4), Singapore(1), Switzerland(3), U.S. Virgin Islands(1)	720			New Jersey
Travelers Cos.	2	Bermuda(1), Singapore(1)	714			New York
News Corp.	16	Cayman Islands(2), Hong Kong(5), Ireland(1), Luxembourg(3), Netherlands(3), Singapore(1), Switzerland(1)	700			New York
Pitney Bowes	16	Hong Kong(2), Ireland(4), Luxembourg(3), Netherlands(2), Singapore(4), Switzerland(1)	700			Connecticut
Henry Schein	1	Switzerland(1)	694			New York
Principal Financial	20	Cayman Islands(3), Hong Kong(9), Ireland(1), Malta(4), Mauritius(1), Singapore(2)	694			Iowa
Penske Automotive Group			664			Michigan
Newell Rubbermaid	11	Barbados(1), Cayman Islands(3), Hong Kong(1), Luxembourg(3), Netherlands(2), Switzerland(1)	660			Georgia

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Crown Holdings	19	Barbados(1), British Virgin Islands(1), Hong Kong(3), Ireland(1), Jordan(1), Luxembourg(1), Netherlands(4), Singapore(5), Switzerland(2)	639			Pennsylvania
Staples	38	Bermuda(1), Cayman Islands(4), Cyprus(2), Hong Kong(3), Ireland(2), Luxembourg(4), Netherlands(20), Switzerland(2)	604			Massachusetts
Ryder System	14	Bermuda(1), British Virgin Islands(1), Hong Kong(2), Mauritius(1), Netherlands(6), Singapore(3)	600			Florida
KBR	6	Cayman Islands(3), Netherlands(3)	554	19%	91	Michigan
Genuine Parts	3	Hong Kong(1), Netherlands(2)	552			Georgia
Anixter International	14	Barbados(1), Costa Rica(1), Hong Kong(2), Ireland(1), Netherlands(6), Panama(1), Singapore(1), Switzerland(1)	543	27%	45	Illinois
GameStop	7	Ireland(3), Luxembourg(3), Switzerland(1)	542			Texas
TJX	4	Bermuda(2), Hong Kong(1), Ireland(1)	528			Massachusetts
Wesco International	11	Hong Kong(1), Netherlands(7), Singapore(3)	526			Pennsylvania
Raytheon			509			Massachusetts
Sanmina-SCI	17	Barbados(2), British Virgin Islands(2), Cayman Islands(1), Hong Kong(5), Ireland(2), Mauritius(1), Netherlands(1), Singapore(3)	503			California
Commercial Metals	13	Bermuda(2), Cyprus(1), Hong Kong(1), Luxembourg(4), Singapore(2), Switzerland(3)	489			Texas
Navistar International	1	Cayman Islands(1)	482			Illinois
Live Nation Entertainment	51	Cayman Islands(3), Hong Kong(4), Ireland(10), Isle of Man(3), Luxembourg(5), Netherlands(24), Singapore(2)	476			California

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Hertz Global Holdings	27	Bermuda(1), Hong Kong(2), Ireland(8), Luxembourg(1), Monaco(1), Netherlands(11), Singapore(1), Switzerland(2)	475			New Jersey
Office Depot	26	Bermuda(2), Cayman Islands(1), Hong Kong(2), Ireland(3), Luxembourg(3), Netherlands(13), Switzerland(2)	472			Florida
Ashland	32	Barbados(1), Bermuda(5), British Virgin Islands(1), Cyprus(1), Gibraltar (2), Hong Kong(2), Ireland(2), Luxembourg(1), Netherlands(10), Singapore(3), Switzerland(2), U.S. Virgin Islands(2)	464			Kentucky
ConAgra Foods	1	Netherlands(1)	460			Nebraska
Timken	13	Bermuda(2), Cayman Islands(1), Gibraltar (2), Hong Kong(2), Luxembourg(4), Netherlands(1), Singapore(1)	442	30%	23	Ohio
URS	1	Netherlands(1)	432			California
Bemis	6	British Virgin Islands(1), Cayman Islands(2), Hong Kong(1), Ireland(1), Singapore(1)	391			Wisconsin
Tech Data	15	Cayman Islands(2), Costa Rica(1), Ireland(1), Luxembourg(2), Netherlands(7), Switzerland(2)	390			Florida
Wynn Resorts	15	Cayman Islands(3), Hong Kong(1), Isle of Man(7), Macau(4)	388	0%	136	Nevada
W.W. Grainger	21	Costa Rica(1), Mauritius(1), Netherlands(15), Netherlands Antilles(1), Panama(2), Singapore(1)	386			Illinois
Kraft Foods	2	Netherlands(2)	375	31%	15	Illinois
UnitedHealth Group	19	Bermuda(1), Cayman Islands(3), Hong Kong(1), Ireland(2), Luxembourg(5), Netherlands(5), Singapore(2)	359			Minnesota
Advanced Micro Devices	4	Barbados(2), Bermuda(1), Singapore(1)	354	0%	124	California

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Tyson Foods	9	Bermuda(1), Cayman Islands(1), Hong Kong(3), Luxembourg(4)	351			Arkansas
Harris	7	Bahrain(1), Bermuda(1), Cayman Islands(2), Hong Kong(2), Singapore(1)	325			Florida
L-3 Communications	6	Costa Rica(1), Hong Kong(2), Ireland(1), Netherlands(1), Singapore(1)	325			New York
Mylan	40	Bermuda(1), Cyprus(3), Gibraltar (9), Ireland(8), Luxembourg(9), Mauritius(1), Netherlands(3), Singapore(3), Switzerland(3)	310			Pennsylvania
Dr Pepper Snapple Group	3	Netherlands(3)	291			Texas
CH2M Hill	2	Bermuda(1), Netherlands(1)	266	28%	19	Colorado
Synnex	12	Bermuda(1), British Virgin Islands(4), Costa Rica(2), Hong Kong(4), Netherlands(1)	263			California
AutoZone			260			Tennessee
J.M. Smucker	2	Hong Kong(1), Netherlands(1)	250			Ohio
Lockheed Martin			222	12%	50	Maryland
Nucor			222			North Carolina
Quanta Services	7	British Virgin Islands(3), Costa Rica(1), Luxembourg(1), Netherlands(1), Panama(1)	218			Texas
Reliance Steel & Aluminum	2	Singapore(2)	203			California
Huntsman	39	Cayman Islands(1), Hong Kong(10), Luxembourg(2), Netherlands(19), Panama(1), Singapore(4), Switzerland(2)	194			Utah
MRC Global	8	British Virgin Islands(2), Hong Kong(1), Netherlands(3), Singapore(2),	193			Texas
Visteon	15	Bermuda(2), British Virgin Islands(1), Hong Kong(4), Ireland(1), Netherlands(7)	185			Michigan
Safeway	8	Bermuda(1), British Virgin Islands(1), Hong Kong(2), Macau(1), Netherlands(1), Singapore(1), Switzerland(1)	170	6%	50	California

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Clorox	11	Bermuda(1), British Virgin Islands(1), Cayman Islands(1), Costa Rica(1), Hong Kong(2), Luxembourg(2), Panama(1), Switzerland(2)	158			California
Rock-Tenn	4	British Virgin Islands(2), Hong Kong(1), Netherlands(1)	158	31%	7	Georgia
Assurant	12	Bermuda(1), Cayman Islands(4), Ireland(1), Isle of Man(1), Malta(1), Netherlands(2), Turks and Caicos(2)	144	31%	6	New York
AmerisourceBergen			126			Pennsylvania
INTL FCStone	6	British Virgin Islands(1), Ireland(1), Netherlands(2), Singapore(2)	123			Florida
Hershey	1	Netherlands(1)	121			Pennsylvania
Ameriprise Financial	8	Channel Islands(2), Hong Kong(1), Luxembourg(2), Singapore(1), Switzerland(2)	120	21%	17	Minnesota
Caesars Entertainment	18	Bahamas(3), Barbados(1), Bermuda(2), British Virgin Islands(1), Hong Kong(3), Isle of Man(1), Macau(2), Netherlands(4), Singapore(1)	110	23%	13	Nevada
W.R. Berkley			103	26%	9	Connecticut
Oshkosh	8	Cayman Islands(1), Hong Kong(1), Mauritius(1), Netherlands(4), Singapore(1)	98			Wisconsin
Express Scripts	5	Ireland(1), Netherlands(3), Switzerland(1)	82	0%	30	Missouri
Kelly Services	11	Hong Kong(1), Luxembourg(2), Netherlands(3), Singapore(3), Switzerland(2)	77			Michigan
Target	1	Hong Kong(1)	77			Minnesota
Insight Enterprises	10	Hong Kong(1), Ireland(1), Netherlands(6), Singapore(1), Switzerland(1)	72			Arizona
Hormel Foods	1	Netherlands(1)	69			Minnesota
Graybar Electric			59			Missouri
CDW			53			Illinois
Lowe's			51			North Carolina

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Con-way			30			Michigan
AK Steel Holding	3	Cayman Islands(1), Singapore(1), Vanuatu(1)	27	0%	9	Ohio
Reynolds American	6	Cayman Islands(1), Hong Kong(1), Netherlands(3), Switzerland(1)	27			North Carolina
Jacobs Engineering Group	12	Hong Kong(1), Ireland(1), Luxembourg(1), Macau(1), Netherlands(3), Panama(1), Singapore(4)	26	5%	8	California
Weyerhaeuser	7	Barbados(3), British Virgin Islands(1), Hong Kong(3)	23			Washington
Owens & Minor	6	British Virgin Islands(1), Hong Kong(1), Netherlands(3), Switzerland(1)	22			Virginia
Group 1 Automotive	3	Netherlands(2), Turks and Caicos(1)	21			Texas
Smithfield Foods	6	Bermuda(1), British Virgin Islands(1), Netherlands(4)	17			Virginia
DirectTV	14	Barbados(1), British Virgin Islands(1), Cayman Islands(5), Mauritius(2), Netherlands(4), St. Lucia(1)	14			California
Dean Foods	2	Netherlands(2)	13			Texas
Masco	13	Bahamas(1), Cyprus(1), Hong Kong(1), Luxembourg(3), Netherlands(3), Singapore(2), Switzerland(2)	10			Michigan
Sherwin-Williams	9	Aruba(1), Belize(1), Cayman Islands(1), Hong Kong(1), Ireland(2), Luxembourg(2), Singapore(1)	7	17%	1	Ohio
Toys "R" Us	14	British Virgin Islands(8), Hong Kong(3), Netherlands(1), Singapore(1), Switzerland(1)	1			New Jersey
AES	226	Bahamas(1), Barbados(1), Bermuda(6), British Virgin Islands(12), Cayman Islands(99), Channel Islands(1), Costa Rica(1), Cyprus(2), Hong Kong(1), Ireland(2), Jordan(2), Luxembourg(1), Mauritius(2), Netherlands(82), Panama(7), Singapore(6)				Virginia
Aetna	10	Bermuda(4), Cayman Islands(1), Hong Kong(2), Ireland(1), Singapore(2)				Connecticut

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Allegheny Technologies	2	Luxembourg(2)				Pennsylvania
American Financial Group	2	Bermuda(1), Cayman Islands(1)				Ohio
American International Group	18	Bahrain(1), Bermuda(4), Channel Islands(1), Cyprus(1), Hong Kong(2), Ireland(2), Lebanon(1), Liechtenstein(1), Panama(1), Singapore(3), Switzerland(1)				New York
AMR	3	Bermuda(2), St. Lucia(1)				Texas
Anadarko Petroleum	12	Bahamas(1), Barbados(1), Cayman Islands(4), Gibraltar(2), Luxembourg(2), Mauritius(1), Netherlands(1)				Texas
Andersons	1	Luxembourg(1)				Ohio
Aramark	18	Bermuda(1), British Virgin Islands(3), Cayman Islands(1), Hong Kong(1), Ireland(10), Luxembourg(1), Netherlands(1)				Pennsylvania
AutoNation	1	Cayman Islands(1)				Florida
Avaya	35	Cayman Islands(1), Cyprus(1), Gibraltar (1), Hong Kong(2), Ireland(15), Luxembourg(2), Mauritius(1), Netherlands(8), Panama(1), Singapore(2), Switzerland(1)				New Jersey
Avon Products	28	Bermuda(4), Cayman Islands(10), Hong Kong(1), Ireland(1), Luxembourg(1), Mauritius(1), Netherlands(6), Panama(2), Singapore(1), Switzerland(1)				New York
Ball	31	Bermuda(1), Cayman Islands(1)				Colorado
BB&T Corp.	4	Bahrain(1), Bermuda(4), Channel Islands(1), Cyprus(1), Hong Kong(2), Ireland(2), Lebanon(1), Liechtenstein(1), Panama(1), Singapore(3), Switzerland(1)				North Carolina
Boeing	1	Bermuda(2), St. Lucia(1)				Illinois
C.H. Robinson Worldwide	11	Bahamas(1), Barbados(1), Cayman Islands(4), Luxembourg(2), Mauritius(1), Netherlands(1)				Minnesota

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
CarMax	1	Luxembourg(1)				Virginia
CC Media Holdings	45	Bermuda(1), British Virgin Islands(3), Cayman Islands(1), Hong Kong(1), Ireland(10), Luxembourg(1), Netherlands(1)				Texas
CenturyLink	16	Hong Kong(5), Mauritius(1), Netherlands(6), Singapore(3), Switzerland(1)				Louisiana
CHS	11	Bermuda(1), Cyprus(2), Hong Kong(1), Luxembourg(1), Netherlands(1), Singapore(2), Switzerland(3)				Minnesota
Chubb	1	Bermuda(1)				New Jersey
CMS Energy	1	Cayman Islands(1)				Michigan
Coca-Cola Enterprises	5	Luxembourg(4), Netherlands(1)				Georgia
Comcast	3	Bermuda(1), Cayman Islands(1), Netherlands(1)				Pennsylvania
Community Health Systems	1	Cayman Islands(1)				Tennessee
Dana Holding	12	Bermuda(1), British Virgin Islands(2), Cayman Islands(1), Hong Kong(3), Ireland(1), Luxembourg(2), Mauritius(1), Switzerland(1)				Texas
DaVita	5	Cayman Islands(1), Netherlands(1), Singapore(3)				Colorado
Delta Air Lines	1	Bermuda(1)				Georgia
Dick's Sporting Goods	4	Hong Kong(4)				Pennsylvania
Dillard's	1	Bermuda(1)				Arkansas
Discover Financial Services	3	Cayman Islands(1), Hong Kong(1), Singapore(1)				Illinois
Dole Food	6	Bermuda(4), Costa Rica(2)				California
Dollar General	1	Hong Kong(1)				Tennessee
Energy Transfer Equity	7	Bermuda(5), Netherlands(1), Panama(1)				Texas
Exelis	3	Cayman Islands(1), Luxembourg(1), Netherlands(1)				Virginia

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Exelon	9	Cayman Islands(6), Luxembourg(1), Marshall Islands(2)				Illinois
Expeditors International of Washington	9	Bahrain(1), Costa Rica(1), Hong Kong(1), Ireland(1), Jordan(1), Lebanon(1), Netherlands(1), Singapore(1), Switzerland(1)				Washington (State)
Facebook	6	Ireland(6)				California
Family Dollar Stores	4	Hong Kong(3), Luxembourg(1)				North Carolina
Fidelity National Information Services	22	Barbados(1), Cayman Islands(1), Costa Rica(1), Hong Kong(2), Ireland(1), Luxembourg(4), Mauritius(1), Netherlands(8), Singapore(2), Switzerland(1)				Florida
Fifth Third Bancorp	3	Hong Kong(1), Mauritius(1), Turks and Caicos(1)				Ohio
First Data	34	Bermuda(2), Costa Rica(1), Hong Kong(2), Ireland(11), Luxembourg(8), Macau(1), Mauritius(1), Netherlands(4), Panama(1), Singapore(3)				Georgia
Fluor	59	Barbados(2), Bermuda(7), British Virgin Islands(2), Channel Islands(9), Cyprus(2), Ireland(4), Liechtenstein(2), Mauritius(4), Netherlands(23), Panama(1), Singapore(2), St. Lucia(1)				Texas
Harley-Davidson	4	Hong Kong(1), Netherlands(1), Singapore(1), Switzerland(1)				Wisconsin
Hartford Financial Services	4	Bermuda(4)				Connecticut
HCA Holdings	8	Bermuda(1), Cayman Islands(1), Luxembourg(2), Switzerland(3), U.S. Virgin Islands(1)				Tennessee
HD Supply	2	Hong Kong(1), Panama(1)				Georgia
Health Management Associates	1	Cayman Islands(1)				Florida
Health Net	2	Cayman Islands(2)				California
Hillshire Brands	1	Bermuda(1)				Illinois

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Host Hotels & Resorts	9	Cayman Islands(1), Netherlands(6), Singapore(1), U.S. Virgin Islands(1)				Maryland
Humana	1	Cayman Islands(1)				Kentucky
Icahn Enterprises	20	Aruba(3), Bahrain(2), Bermuda(1), British Virgin Islands(1), Cayman Islands(1), Channel Islands(1), Hong Kong(2), Luxembourg(1), Mauritius(1), Netherlands(5), Singapore(1), Switzerland(1)				New York
JetBlue Airways	1	Bermuda(1)				New Jersey
Kindred Healthcare	1	Cayman Islands(1)				Kentucky
KKR	157	Cayman Islands(131), Channel Islands(3), Cyprus(1), Hong Kong(2), Ireland(8), Luxembourg(5), Mauritius(4), Singapore(3)				New York
Leucadia National	4	Hong Kong(3), Switzerland(1)				New York
Level 3 Communications	24	Bermuda(4), Cayman Islands(2), Costa Rica(1), Cyprus(1), Hong Kong(3), Ireland(5), Luxembourg(3), Mauritius(1), Panama(2), Singapore(1), Switzerland(1)				Colorado
Limited Brands	1	Hong Kong(1)				Ohio
Lincoln National	2	Barbados(1), Bermuda(1)				Pennsylvania
Macy's	2	Hong Kong(2)				Ohio
Marathon Petroleum	2	Bermuda(2)				New York
MGM Resorts International	15	Cayman Islands(1), Hong Kong(7), Isle of Man(5), Macau(1), Singapore(1)				Nevada
Newmont Mining	16	Bermuda(3), Channel Islands(1), Cyprus(3), Liberia(1), Netherlands(6), Switzerland(2)				Colorado
NextEra Energy	1	Cayman Islands(1)				Florida
NII Holdings	10	Cayman Islands(5), Luxembourg(4), Netherlands(1)				Virginia

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Norfolk Southern	1	Bermuda(1)				Virginia
NRG Energy	16	Bermuda(1), British Virgin Islands(1), Cayman Islands(3), Hong Kong(1), Luxembourg(2), Netherlands(6), Netherlands Antilles(1), Switzerland(1)				New Jersey
NuStar Energy	4	Bermuda(1), Netherlands(3)				Texas
Old Republic International	6	Bermuda(5), Cayman Islands(1)				Illinois
Peabody Energy	17	Bermuda(1), British Virgin Islands(1), Gibraltar(6), Luxembourg(1), Netherlands(5), Singapore(3)				Missouri
Pepco Holdings	2	Bermuda(1), U.S. Virgin Islands(1)				District of Columbia
Philip Morris International	9	Netherlands(3), Switzerland(6)				New York
Plains All American Pipeline	2	Luxembourg(2)				Texas
Quest Diagnostics	3	Cayman Islands(1), Ireland(1), Singapore(1)				New Jersey
R.R. Donnelley & Sons	36	Barbados(1), British Virgin Islands(4), Cayman Islands(3), Channel Islands(1), Costa Rica(1), Cyprus(1), Hong Kong(4), Ireland(4), Luxembourg(1), Mauritius(1), Netherlands(10), Singapore(2), St. Lucia(1), Switzerland(2)				Illinois
Republic Services	1	Cayman Islands(1)				Arizona
Sealed Air	49	Barbados(2), Cayman Islands(1), Costa Rica(2), Hong Kong(4), Ireland(5), Luxembourg(5), Netherlands(21), Singapore(2), Switzerland(7)				New Jersey
Sears Holdings	1	Bermuda(1),				Illinois
Simon Property Group	4	Bermuda(2), Luxembourg(2)				Indiana
Sonic Automotive	1	Cayman Islands(1)				North Carolina

Company	Tax Haven Subsidiaries	Location of Tax Haven Subsidiaries	Amount Held Offshore (\$ millions)	Tax Rate Paid on Offshore Cash	Estimated U.S. tax bill on Offshore Cash	State Located
Southwest Airlines	1	Bermuda(1)				Texas
Spectrum Group International	1	Hong Kong(1)				California
Sprint	9	Bermuda(1), Hong Kong(1), Ireland(2), Luxembourg(1), Netherlands(2), Singapore(1), Switzerland(1)				Kansas
SunTrust Banks	2	Cayman Islands(2)				Georgia
Supervalu	3	Bermuda(3)				Minnesota
U.S. Bancorp	9	Cayman Islands(1), Hong Kong(1), Ireland(4), Netherlands(2), Singapore(1)				Minnesota
UGI	4	Luxembourg(1), Netherlands(2), Switzerland(1)				Pennsylvania
United Stationers	2	Hong Kong(2)				Illinois
US Airways Group	1	Bermuda(1)				Arizona
Vanguard Health Systems	2	Cayman Islands(2)				Tennessee
Walgreen	13	Bermuda(1), Hong Kong(1), Luxembourg(4), Mauritius(1), Singapore(2), Switzerland(3), U.S. Virgin Islands(1)				Illinois
WellCare Health Plans	1	Cayman Islands(1)				Florida
WellPoint	3	Ireland(3)				Indiana
Williams	12	Bermuda(1), Cayman Islands(8), Netherlands(3)	111,300		36,444	Oklahoma

Total:	7,827		1,951,592	Average: 6.7%	147,542	
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End Notes

- 1 Government Accountability Office, *Business and Tax Advantages Attract U.S. Persons and Enforcement Challenges Exist*, GAO-08-778, a report to the Chairman and Ranking Member, Committee on Finance, U.S. Senate, July 2008, <http://www.gao.gov/highlights/d08778high.pdf>.
- 2 *Id.*
- 3 Jane G. Gravelle, Congressional Research Service, *Tax Havens: International Tax Avoidance and Evasion*, 4 June 2010.
- 4 Government Accountability Office, *International Taxation; Large U.S. Corporations and Federal Contractors with Subsidiaries in Jurisdictions Listed as Tax Havens or Financial Privacy Jurisdictions*, December 2008.
- 5 Mark P. Keightley, Congressional Research Service, *An Analysis of Where American Companies Report Profits: Indications of Profit Shifting*, 18 January, 2013.
- 6 Citizens for Tax Justice, *American Corporations Report Over Half of Their Offshore Profits as Earned in 12 Tax Havens*, 28 May 2014.
- 7 *Offshore Funds Located On Shore, Majority Staff Report Addendum*, Senate Permanent Subcommittee on Investigations, 14 December 2011, <http://www.levin.senate.gov/newsroom/press/release/new-data-show-corporate-offshore-funds-not-trapped-abroad-nearly-half-of-so-called-offshore-funds-already-in-the-united-states/>.
- 8 Kate Linebaugh, "Firms Keep Stockpiles of 'Foreign' Cash in U.S.," *Wall Street Journal*, 22 January 2013, <http://online.wsj.com/article/SB10001424127887323284104578255663224471212.html>.
- 9 Kitty Richards and John Craig, *Offshore Corporate Profits: The Only Thing 'Trapped' Is Tax Revenue*, Center for American Progress, 9 January, 2014, <http://www.americanprogress.org/issues/tax-reform/report/2014/01/09/81681/offshore-corporate-profits-the-only-thing-trapped-is-tax-revenue/>.
- 10 Kimberly A. Clausing, "The Revenue Effects of Multinational Firm Income Shifting," *Tax Notes*, 28 March 2011, 1560-1566.
- 11 Phineas Baxandall, Dan Smith, Tom Van Heeke, and Benjamin Davis. *Picking up the Tab*, U.S. PIRG, April 2014. <http://uspirg.org/reports/usp/picking-tab-2014>.
- 12 "China to Become World's Second Largest Consumer Market", Proactive Investors United Kingdom, 19 January, 2011 (Discussing a report released by Boston Consulting Group), <http://www.proactiveinvestors.co.uk/columns/china-weekly-bulletin/4321/china-to-become-worlds-second-largest-consumer-market-4321.html>.
- 13 The number of subsidiaries registered in tax havens is calculated by authors looking at exhibit 21 of the company's 2013 10-K report filed annually with the Securities and Exchange Commission. The list of tax havens comes from the Government Accountability Office report cited in note 5.
- 14 The amount of money that a company has booked offshore and the taxes the company would owe if they repatriated that income can also be found in the 10-K report; however, not all companies disclose the latter information.
- 15 See note 12.
- 16 Calculated by the authors based on revenue information from Pfizer's 2012 10-K filing.
- 17 Audit Analytics, "Overseas Earnings of Russell 1000 Tops \$2 Trillion in 2013," 1 April 2014. <http://www.audit-analytics.com/blog/overseas-earnings-of-russell-1000-tops-2-trillion-in-2013/>.
- 18 See note 6.
- 19 Kimberly A. Clausing, "Multinational Firm Tax Avoidance and Tax policy," 62 Nat'l Tax J 703, December 2009; see note 10 for more recent study.
- 20 Citizens for Tax Justice, "Apple is not Alone" 2 June 2013, http://ctj.org/ctjreports/2013/06/apple_is_not_alone.php#UeXKWm3FmH8.
- 21 Budget information comes from a database compiled by the National Association of State Budget Officers. California's current budget is \$97 billion <http://www.ebudget.ca.gov/2013-14/pdf/Enacted/BudgetSummary/FullBudgetSummary.pdf>; Virginia's current budget is \$42 billion - https://solutions.virginia.gov/pbreports/rdPage.aspx?rdReport=BDOC2014_FrontPage; Indiana's current budget is \$6.7 billion - http://www.in.gov/sba/files/AP_2013_0_0_2_Budget_Report.pdf. The three together add up to \$145.7 billion.
- 22 See methodology for an explanation of how this was calculated.
- 23 *Offshore Profit Shifting and the U.S. Tax Code—Part 2*, Senate Permanent Subcommittee on Investigations, 21 May, 2013, http://www.hsgac.senate.gov/subcommittees/investigations/hearings/offshore-profit-shifting-and-the-us-tax-code_-part-2.
- 24 Companies get a credit for taxes paid to foreign governments when they repatriate foreign earnings. Therefore, if companies disclose what their hypothetical tax bill would be if they repatriated "permanently reinvested" earnings, it is possible to deduce what they are currently paying to foreign governments. For example, if a company discloses that they would need to pay the full statutory 35% tax rate

- on its offshore cash, it implies that they are currently paying no taxes to foreign governments, which would entitle them to a tax credit that would reduce the 35% rate. This method of calculating foreign tax rates was original used by Citizens for Tax Justice (see note 21).
- 25 European Commission made official recommendations to EU member states on addressing “base erosion and profit shifting.” The report describes how companies book more profits to the Netherlands than the country’s GDP. Commission report cited in Joe Kirwin, Bloomberg BNA, “Five EU States Need Tax Law Changes to Comply with BEPS, Tax Official Says, 3 June 2014.
 - 26 Citizens for Tax Justice, “Nike’s Tax Haven Subsidiaries Are Named After Its Shoe Brands,” 25 July 2013, http://www.ctj.org/taxjusticedigest/archive/2013/07/nikes_tax_haven_subsidiaries_a.php#.U3y0Gijze2J.
 - 27 Citizens for Tax Justice, “The Problem of Corporate Inversions: the Right and Wrong Approaches for Congress,” 14 May 2014, http://ctj.org/ctjreports/2014/05/the_problem_of_corporate_inversions_the_right_and_wrong_approaches_for_congress.php#.U3tavSjze2J.
 - 28 Other consequences kick in for inversions involving 60 79.9% of the same shareholders. This law is based on a 2002 bill introduced by Senator Charles Grassley (R-IA) and former Sen. Max Baucus (D-MT). See 26 U.S.C. §7874 (available at <http://codes.lp.findlaw.com/uscode/26/F/80/C/7874/>).
 - 29 Treasury first defined “substantial business” in 2006 with a relatively loose bright line standard. That 2006 standard was replaced in 2009 with a vague facts and circumstances test and an intent to make inverting harder. Companies got comfortable with that approach too, however, and resumed inverting. On June 7, 2012, Treasury issued new temporary rules creating a difficult-to-evade bright line test. Specifically, the new rules define substantial business as a minimum of 25 percent of an inverting company’s business. That is a hard threshold to meet if the main “business” in country is a post office box. But the rules go further by making the standard hard to game; the 25 percent has to be met in three different ways. Moreover, those measurements must be taken a year before the inversion, so the inversion process itself cannot be manipulated to meet the thresholds. For a more detailed discussion of the history of the interpretations, see Latham & Watkins Client Alert No. 1349, “IRS Tightens Rules on Corporate Expatriations—New Regulations Require High Threshold of Foreign Business Activity” June 12, 2012, http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=14&ved=0CFsQFjADOAo&url=http%3A%2F%2Fwww.lw.com%2FthoughtLeadership%2FIRS%2FTightensRule%2FsonCorporateExpatriations&ei=fPYmUIeDca36gG5q4GICg&usg=AFQjCNEMzRNjYwoJtmnyd4VJFDnap_hxA.
 - 31 Citizens for Tax Justice, “The Problem of Corporate Inversions: the Right and Wrong Approaches for Congress,” 14 May 2014. http://ctj.org/ctjreports/2014/05/the_problem_of_corporate_inversions_the_right_and_wrong_approaches_for_congress.php#.U3tavSjze2J.
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 - 37 “Fact Sheet on the Sanders/Schakowsky Corporate Tax Fairness Act,” February 7, 2012, <http://www.sanders.senate.gov/imo/media/doc/CORPTA%20FAIRNESSFACT-SHEET.pdf>.
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 - 40 *Id.*
 - 41 *Id.*
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