

Big corporations have become a focal point for the nation's anger and mistrust (see: Occupy Wall Street). It's no wonder. As millions of Americans struggle to keep their homes and their jobs, big companies are continuing to post and trumpet record profits. That fact alone has many of us outraged. A new report, "Corporate Taxpayers & Corporate Tax Dodgers," is sure to outrage us even more. Produced by Citizens for Tax Justice and the Institute on Taxation and Economic Policy, the study examines the income taxes paid (or not paid) by 280 companies in the Fortune 500. The study's authors note that:

Seventy-eight of the 280 companies paid zero or less in federal income taxes in at least one year from 2008 to 2010. Twenty-five of these companies enjoyed multiple no-tax years, bringing the total number of no-tax years to 108. In the years they paid no income tax, these companies earned \$156 billion in pretax U.S. profits. But instead of paying \$55 billion in income taxes as the 35 percent corporate tax rate seems to require, these companies generated so many excess tax breaks that they reported negative taxes.

In other words, thanks to tax loopholes, some of these companies paid nothing to the IRS but still received tax breaks in the billions.

Among the worst offenders were telecoms that were also busy trying to strip Internet users of their online freedom:

Between 2008 and 2010, Verizon received \$12.3 billion in tax subsidies from the federal government and had an effective tax rate of 2.9 percent.

In the same period, AT&T received nearly \$14.5 billion in federal tax breaks, second only to Wells Fargo, which received nearly \$18 billion. It had an effective tax rate of 8 percent.

Comcast received \$2 billion in tax breaks and had an effective tax rate of 20.6 percent.

The telecom industry as a whole paid an effective tax rate of 8.2 percent during the 2008-2010 period far below the standard 35 percent corporate tax rate.

It's telling that AT&T and Verizon stand out so prominently in this report. These are the same companies that don't want Washington to stop them from taking advantage of Internet users. Just as they are finding loopholes to avoid paying taxes, they're on the constant lookout for loopholes that will allow them to block our right to speak freely online.

This week the FCC is voting on a reform of the Universal Service Fund program. I agree with the agency that the program's goals are noble - but outdated - and that the agency must find a way to funnel its resources toward building broadband networks rather than phone lines.

However, the rules proposed in the industry-authored "ABC plan" would do little to promote the public interest. They would simply allow phone companies like AT&T and Verizon to extract billions more from consumers with no accountability.

Any new rules that you adopt must require phone companies to justify additional fees before they

start taking even more hard-earned money out of our pockets. The Commission must require strong regulatory oversight in exchange for carriers' receiving this ratepayer-funded subsidy.