



**FACTCOALITION**  
Financial Accountability & Corporate Transparency

## **FACT Sheet: Tax Haven Abuse by the Numbers**

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

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<sup>1</sup> Committee on Homeland Security and Governmental Affairs, Permanent Subcommittee on Investigations. *TAX HAVEN BANKS AND U. S. TAX COMPLIANCE STAFF REPORT*

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

This \$100 billion estimate is derived from studies conducted by a variety of tax experts. See, e.g., Joseph Guttentag and Reuven Avi-Yonah, "Closing the International Tax Gap," in Max B. Sawicky, ed., *Bridging the Tax Gap: Addressing the Crisis in Federal Tax Administration* (2006) (estimating offshore tax evasion by individuals at \$40-\$70 billion annually in lost U.S. tax revenues); Kimberly A. Clausing, "Multinational Firm Tax Avoidance and U.S. Government Revenue" (August 2007) (estimating corporate offshore transfer pricing abuses resulted in \$60 billion in lost U.S. tax revenues in 2004); John Zdanowics, "Who's watching our back door?" *Business Accents* magazine, Volume 1, No.1, Florida International University (Fall 2004) (estimating offshore corporate transfer pricing abuses resulted in \$53 billion in lost U.S. tax revenues in 2001); "The Price of Offshore," Tax Justice Network briefing paper (March 2005) (estimating that, worldwide, individuals have offshore assets totaling \$11.5 trillion, resulting in \$255 billion in annual lost tax revenues worldwide); "Governments and Multinational Corporations in the Race to the Bottom," Tax Notes (2/27/06); "Data Show Dramatic Shift of Profits to Tax Havens," Tax Notes (9/13/04). See also series of 2007 articles authored by Martin Sullivan in Tax Notes (estimating over \$1.5 trillion in hidden assets in four tax havens, Guernsey, Jersey, Isle of Man, and Switzerland, beneficially owned by nonresident individuals likely avoiding tax in their home jurisdictions), *infra* footnote 3.

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

<sup>3</sup> Kar, Dev and Curcio, Karly. *Illicit Financial Flows from Developing Countries 2000-2009*. Jan 2011

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

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

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

<sup>7</sup> *Id.*

<sup>8</sup> Kar, Dev and Curcio, Karly. *Illicit Financial Flows from Developing Countries 2000-2009*. Jan 2011

<sup>9</sup> Bronner, Eithan. "Mubarak Denies Corruption and Defends His Legacy." *New York Times*. 11 April 2011 <http://www.nytimes.com/2011/04/11/world/middleeast/11egypt.html?scp=1&sq=Egypt%20%242&st=cs>  
[e](http://www.nytimes.com/2011/04/11/world/middleeast/11egypt.html?scp=1&sq=Egypt%20%242&st=cs)

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

<sup>11</sup> *Id.*

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

<sup>13</sup> Id.

<sup>14</sup> Id.