



We all pay when tax evaders don't

I confess. I smiled when I read that

Amazon decided to forego the \$3 billion in tax breaks that New York offered for the grand privilege of welcoming an HQ2—"second headquarters"—to Long Island City. The secret negotiations over the billions in tax subsidies infuriated community organizers, labor groups and enlightened local elected officials who argued the mythical high-paying jobs and economic benefits would more likely manifest as sharp increases in the cost of housing for existing residents and further exacerbate income inequality.

Amazon withdrew from the deal saying they required "positive, collaborative relationships with state and local elected officials who will be supportive over the long-term." Right. People questioning Amazon's math or their entitlement to the taxpayer's money can't be tolerated. If they need another HQ2 (which, obviously, they don't, since they also designated one in Northern Virginia), they'll look for a place where they're more appreciated.

Then I got mad after reading news about Amazon's profits and tax rates in 2018. According to the Institute on Taxation and Economic Policy (ITEP), Amazon will pay exactly \$0 in federal tax on their \$11.2 billion in profits last year. It's the second year in a row they've paid nothing. According to the Guardian, instead of paying the reduced statutory income tax rate of 21 percent, Amazon's rate was minus-1 percent due to the receipt of a \$129 million federal income tax rebate, courtesy of the Republican tax relief for millionaires bill. Remember that when you file your taxes this year.

Amazon isn't alone, of course. Netflix and other wealthy corporations with plenty of expensive lobbyists and lawyers also paid \$0 in federal income taxes last year. The Republican tax bill reduced the corporate tax rate from 35 percent to 21 percent, but that wasn't enough to feed their avarice. Amazon paid nothing by taking advantage of tax credits and utilizing the tax break for executive stock

options. Just because it's legal doesn't mean it's right.

So let's not shed tears for Amazon's wounded feelings at not being received as the savior of Long Island City based on its own predictions of economic return. Most of the people who live in Long Island City probably wouldn't qualify for a high-enough paying job at the company to balance the spikes in their rent or time lost through increased congestion caused by new residents. Sound familiar?

It's mind-boggling that Nevada's smug economic development officials didn't negotiate significant investments in infrastructure, schools and affordable housing before awarding billions in tax subsidies to the likes of Tesla, Apple and Switch. Instead, they were blinded by self-serving projections of a return on investment that would magically trickle down. Now we wring our hands at the affordable housing crisis, overcrowded schools and packed freeways and wonder what happened.

Legislatures in Florida, Illinois, New

York, Arizona, Connecticut, Florida, Massachusetts and New Jersey are fighting back by considering the formation of a compact of states to end the competition of awarding taxpayer gifts, a competition Nevada "won" with record giveaways to Tesla, the Raiders and others. The End Corporate Welfare Act is currently being heard in many state legislatures and was reportedly a factor in Amazon's decision to withdraw from New York in search of more accommodating pastures elsewhere.

It's hard to imagine Nevada joining the compact despite the failure of recent tax giveaways like the film tax credits or the ongoing agonizing stories of people in our community, especially seniors, who can't afford constant increases in rent. Our leaders still haven't learned that real and sustainable economic growth can only come from investing in our people and our infrastructure. Amazon and Tesla are entitled to profits in our capitalistic system. But wouldn't it be nice if they paid their taxes like the rest of us do? □

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