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## Editorials

### GE: No taxes and a refund

**T**axpayers sweating out the approaching filing deadline may be interested in knowing that General Electric has filed its paperwork and is claiming what amounts to a \$3.2 billion refund in the form of a tax credit. Even though it did not pay any federal taxes in 2010.

The nation's largest corporation benefits from something the average taxpayer does not — the best tax department money can buy. According to David Kocieniewski of the New York Times, that team includes former officials of the Internal Revenue Service and Treasury Department, as well as aides to members of the congressional committees who wrote the tax codes. No wonder the federal government ends up owing GE money.

GE is also able to avoid U.S. taxes by focusing its profitable ventures offshore, which is also not an option for most taxpayers. Again according to The Times, GE's accumulated offshore profits have risen from \$15 billion to \$92 billion in the past 10 years. Over that same period of

time, GE has eliminated 20 percent of its American work force. At a time when America desperately needs jobs and investment, GE is providing both in foreign countries and not even paying U.S. taxes. (Ironically, GE CEO Jeffrey Immelt heads President Obama's newly formed Council on Jobs and Competitiveness.)

The ability of GE, and to a lesser extent other multinational corporations, to exploit tax loopholes, credits, subsidies, shelters and foreign tax laws to avoid providing desperately needed revenue to the American treasury is the latest of a long list of arguments for reform of corporate tax laws. GE's lobbyists, however, are as gifted and well-connected as are its tax lawyers, so reform is unlikely. One thing Democrats and Republicans have in common is their susceptibility to lobbyists.

In the months ahead, much will be said about various proposals to clean up PCBs left in the Housatonic River by General Electric. Let it not be said, however, that GE cannot afford a cleanup.