Corporate Finance Briefing: Corporate Taxes

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**Corporate Taxes**

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Figure 1.

**CORPORATE PROFITS TAXES**
(billion dollars, four-quarter sum, ratio scale)

Corporate Profits*
- **Pre-Tax**
- **After-Tax**

* Includes the profits of S corporations, which are taxed as personal income.

** Pretax corporate profits reported to the IRS minus after-tax corporate profits (excluding IVA and CCAdj). Includes "profits" of the Federal Reserve System, which are sent back to the US Treasury.

*** Includes taxes paid to all domestic and foreign taxing agencies.

Source: Bureau of Economic Analysis.

Figure 2.

**US CORPORATE GLOBAL EFFECTIVE TAX RATE**
(percent)

Corporate Tax Rates
- **US Statutory Tax Rate (21.0)**
- **Global Effective Tax Rate* (12.9)**

* Pretax corporate profits reported to the IRS minus after-tax corporate profits divided by pretax profits. Using four-quarter averages.

Pre-tax profits includes the profits of S corporations, which are taxed as personal income. Includes "profits" of the Federal Reserve System, which are sent back to the US Treasury. After-tax profits reflect taxes paid to all domestic and foreign taxing agencies.

Source: Bureau of Economic Analysis and US Treasury.

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Figure 3.

US FEDERAL GOVERNMENT RECEIPTS: CORPORATE INCOME TAXES
(billion dollars, 12-month sum)

Source: US Treasury Department.

Figure 4.

FEDERAL TAX RECEIPTS & DEPOSITS: CORPORATE INCOME TAXES
(billion dollars)

Source: US Treasury and Haver Analytics.
**Figure 5.**

**US CORPORATE PROFITS TAX RATES**  
(percent)

- **Statutory Rate** (21.0)  
- **S&P 500 Effective Tax Rate*** (21.6)

*Includes US federal taxes and taxes collected by other domestic and foreign taxing authorities. Derived from S&P Analyst Handbook, where tax rate is income tax as percentage of pretax income.  
Source: Internal Revenue Service and Standard & Poor’s.

**Figure 6.**

**MEASURES OF CORPORATE PROFITS TAXES**  
(billion dollars, 4Q sum)

- **Corporate Profits Taxes**  
  - IRS data* (211.8)  
  - NIPA data** (274.8)

*Based on 12-month sum of monthly data converted to end of quarter.  
**Pretax corporate profits reported to the IRS minus after-tax corporate profits (both excluding IVA and CCAdj).  
Source: US Treasury and Bureau of Economic Analysis.
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Figure 7.

EFFECTIVE CORPORATE TAX RATES
(percent 4Q moving averages)

Corporate Tax Rates
- Based on NIPA Data* (12.9)
- Based on US Treasury Data** (9.9)

* Pretax corporate profits minus after-tax corporate profits divided by pretax profits. Includes US federal taxes and taxes collected by other domestic and foreign taxing authorities. Using four-quarter averages.

** US federal corporate tax receipts collected by the IRS. Based on 12-month sum of monthly data converted to end of quarter.

Source: US Treasury and Bureau of Economic Analysis.

Figure 8.

US FEDERAL GOVERNMENT RECEIPTS: CORPORATE INCOME TAXES
(billion dollars)

Corporate Profits Taxes
- In GNP Accounts (saar)* (294.3)
- Treasury data (12-month sum)

* Pretax corporate profits reported to the IRS minus after-tax corporate profits excluding IVA and CCAdj.

Source: US Treasury Department and Bureau of Economic Analysis.
**Figure 9.**

**NONFINANCIAL CORPORATE BUSINESS: EFFECTIVE TAX RATE***

*Profits taxes paid divided by pretax profits. The latter includes the profits of S corporations, which are taxed as personal income. Source: Federal Reserve Board Financial Accounts of the United States.

**Figure 10.**

**NONFINANCIAL CORPORATIONS: TAXES ON CORPORATE INCOME (4Q moving average)**

(as a percent of profits before tax (4Q moving average)

Source: Federal Reserve Board.
Figure 11.

CORPORATE INCOME TAXES
(ratio scale, billions dollars)

- S&P 500 Income Tax (318.5)
- Reported in GDP Accounts (4Q average of saar data)* (274.8)

* Pretax corporate profits reported to the IRS minus after-tax corporate profits (excluding IVA and CCAdj).
Source: Standard & Poor’s and US Treasury.

Figure 12.

CORPORATE INCOME TAXES
(billions dollars)

Corporate Income Taxes
- S&P 500 Corporations* (318.5)
- Reported to IRS by all Corporations** (4Q sum) (211.8)

* Includes US federal taxes and taxes collected by other domestic and foreign taxing authorities. Derived from S&P Analyst Handbook, where tax rate is income tax as percentage of pretax income.

** Federal corporate tax receipts only based on 12-month sum of monthly data converted to end of quarter.
Source: Standard & Poor’s and US Treasury.
Figure 13.

**FEDERAL RESERVE SYSTEM: PROFITS & TAXES PAID**
(billion dollars)

Federal Reserve Banks
- Red: Profits (in NIPA, annual rate)
- Blue: Earnings Deposited with Treasury (12-month sum)

Source: US Treasury and Bureau of Economic Analysis.

Figure 14.

**US STATE & LOCAL GOVERNMENT REVENUE: CORPORATION NET INCOME TAXES**
(billion dollars, 4Q sum)

Source: Census Bureau.
CORPORATE PROFITS TAXES*
(billion dollars, four-quarter sum, ratio scale)

- Corporate Profits Taxes minus Profits in NIPA Federal Reserve Banks (180.8)
- Corporate profits taxes (274.8)
- Corporate Profits Taxes minus Profits in NIPA Federal Reserve Banks minus US State & Local Government Revenue: Corporation Net Income Taxes (137.8)

* Pretax corporate profits reported to the IRS minus after-tax corporate profits (excluding IVA and CCAdj).

Source: US Treasury, Census Bureau, and Bureau of Economic Analysis.

CORPORATE PROFITS TAXES*
(billion dollars, four-quarter sum, ratio scale)

- Corporate Profits Taxes minus Profits in NIPA Federal Reserve Banks minus US State & Local Government Revenue: Corporation Net Income Taxes (137.8)
- IRS data** (211.8)

** Based on 12-month sum of monthly data converted to end of quarter.

Source: US Treasury, Census Bureau, and Bureau of Economic Analysis.
Figure 17.
CORPORATE PROFITS TAXES*
(billion dollars, four-quarter sum, ratio scale)

* Pretax corporate profits reported to the IRS minus after-tax corporate profits (excluding IVA and CCAdj).
Source: US Treasury, Census Bureau, and Bureau of Economic Analysis.
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