



Everything Jersey

N.J. taxpayers protest corporate 'dodgers'

Published: Tuesday, April 19, 2011, 6:25 AM



By **Leslie Kwoh/The Star-Ledger**

NEWARK — Laurel Cummins grew infuriated when she recently learned that while she was doling out more in taxes every year, some big companies weren't paying at all.

So Monday, she drove to Newark, where she joined more than 70 protesters in front of Verizon New Jersey's corporate headquarters. As cars and buses whizzed by, Cummins waved a makeshift sign: "Honk if you paid more than \$0 in taxes. Verizon paid \$0."

"I'm just outraged that corporations pay nothing," said Cummins, 53, a French teacher from Montclair. "It's very hypocritical."



John O'Boyle/The Star-Ledger

Laurel Cummins of Montclair protests outside Verizon's building on Broad Street in Newark Monday. Verizon paid \$0 in taxes for 2009 and 2010, using corporate tax loopholes and tax breaks.

For millions of taxpayers Monday, the arrival of Tax Day meant last-minute number-crunching and rushed trips to the post office. In New Jersey and other states, protest groups organized rallies to target so-called "tax dodgers," a term to describe big corporations and wealthy individuals who use tax breaks and loopholes to avoid paying their fair share.

In Elizabeth, about 35 protesters gathered Monday in front of a Bank of America branch in the late afternoon as part of a national campaign organized by nonprofit MoveOn.org. The event, which took place at dozens of sites across the country, was called "Make Them Pay" and targeted a dozen corporations including Bank of America, Google, BP, Amazon, Wells Fargo, FedEx and Chase.

The protests underscore public criticism against big companies that take advantage of federal and state incentives and loopholes, even as the job market struggles to recover and states and municipalities continue to trim their budgets.

Just last month, U.S. Sen. Bernie Sanders (I-Vt.) issued a report spotlighting 10 corporate income "tax avoiders" that received large tax breaks or refunds: Exxon Mobil, Bank of America, General Electric, Chevron, Boeing, Valero, Goldman Sachs, Citigroup, ConocoPhillips and Carnival Cruise Lines.



John O'Boyle/The Star-Ledger

Cynthia Johnson, a Verizon employee, protests outside Verizon's building on Broad Street in Newark.

At the Newark rally, which was organized by the New Jersey Working Families Alliance, protesters accused Verizon of avoiding federal taxes in 2009 and 2010 while receiving \$1.3 billion in subsidies from the government.

"We keep hearing about the need for shared sacrifices from working families, but at the same time hundreds of millions of dollars are going to big corporations," said Bill Holland, the group's executive director. "The money should be used to pay for essential services that working families rely on, like education, public safety and a clean environment."

Verizon acknowledged yesterday it received

federal and state tax deferrals totaling \$5.3 billion for the two years, but emphasized it is still obligated to pay the money at a later date. In 2010, the company paid \$430 million in income taxes, said Bob Varettoni, a spokesman for the telecommunications company.

"Verizon fully complies with all tax laws and pays its fair share of taxes," he said.

He added that Verizon invested \$1.2 billion in plants and equipment in New Jersey in the last year alone, in addition to paying \$14 million in property taxes, \$53 million in personal property taxes, \$16 million in franchise fees and \$14 million in traffic safety fees.

As for the more than \$87 million in state grants the company was awarded in recent years, Varettoni said that was because Verizon brought more than 3,000 additional jobs to New Jersey when it opened its national operations in Basking Ridge in 2005. New York-based Verizon Communications is the umbrella company of Verizon New Jersey and Verizon Wireless, both based in the state.

In New Jersey, the issue of corporate incentives has become particularly contentious in recent months as the Christie administration takes steps to lure and retain big businesses. Panasonic of North America is still deciding whether it will take a \$102.4 million tax break to move its headquarters from Secaucus to Newark.

In a study expected to be released next week, New Jersey Policy Perspective will report the Christie administration has awarded more than \$800 million in subsidies to corporations in less than 18 months.

"The administration is convinced that if companies pay lower taxes, they'll create jobs, and that's just completely wrong," said president Deborah Howlett. "What businesses want is a well-educated workforce, proximity to New York, the ports and



good transportation."

But that's only partly true, said corporate site selection expert John Boyd Jr. New Jersey has a successful track record of using incentives to lure big pharmaceutical and biotech companies to the state. And these incentives do make a difference, especially because the cost of doing business in the Garden State is notoriously high, he said.



John O'Boyle/The Star-Ledger

Jean Lowrie of Newark protests outside Verizon's building on Broad Street in Newark.

"Incentives are really a necessary evil," said Boyd, a principal of the Boyd Company in Princeton. "Our clients expect them, and New Jersey needs to offer them to remain competitive."

Still, even Boyd — who labels himself "pro business" — said he couldn't deny that corporations are not paying their fair share in federal and state taxes. With so many deductions and tools available to them, very few companies actually pay anything close to their obligated tax amount, he said.

"Any reasonable business person that looks at this current situation clearly has a case for comprehensive tax reform," he said. "The companies — my clients — aren't saying it because they want it all."

Related coverage

- **Gov. Christie plans to file for a tax extension**
- **N.J. 'millionaire tax' would neither drive rich residents out of state, nor raise tax revenue**
- **Super rich see federal taxes drop dramatically**

© 2011 NJ.com. All rights reserved.