Summary of the Ending Corporate Greed Act

Legislation would impose a Windfall Profits Tax on Large Corporations

President Biden made the right decision to impose a ban on Russian oil as a result of Putin's murderous invasion of Ukraine. But let's be clear. We cannot allow big oil companies and other large, profitable corporations to use the war in Ukraine, the COVID-19 pandemic, and the specter of inflation to make obscene profits by price gouging Americans at the gas pump, the grocery store, or any other sector of our economy.

Instead of asking struggling working families to keep paying higher and higher prices for gasoline, food, and other basic necessities, the time has come to demand that large, profitable corporations make a little bit less money. During these troubling times, the working class cannot bear the brunt of this economic crisis. Corporate CEOs, wealthy shareholders, and the billionaire class who have been making out like bandits must be asked to sacrifice.

Therefore, Senator Sanders will be introducing the **Ending Corporate Greed Act**.

This bill would impose a tax on the windfall profits corporations have made that are above and beyond what they made during the five years that preceded the pandemic. Because the tax is on profit and not revenue, companies that raise prices for legitimate reasons related to rising expenses would not be penalized. However, companies that have chosen to raise prices in the pursuit of obscene profits to further enrich their CEOs and wealthy shareholders would pay a tax of up to 95 percent on their windfall profits above and beyond what they made before the pandemic.

Let's be clear. This is not a radical idea. During the first and second World Wars and the Korean War, the United States implemented a broad-based windfall profits tax, after which this legislation is modelled. During World War II, the tax rate reached as high as 95 percent, which ensured that companies could not profiteer off the war. In addition, the United States enacted a windfall profits on oil and gas companies as recently as the mid-1980s.

If this legislation were signed into law, it would:

- Maintain the existing 21 percent corporate tax on a company's profit equal to or less than pre-pandemic levels.
- Establish a 95 percent windfall profits tax on a company's profits that are in excess of their average profit level from 2015-2019, adjusted for inflation.
- Apply only to large companies with $500 million or more in revenue annually.
- Be limited to 75 percent of income in the current year.
- Be a temporary emergency measure, applying only in 2022, 2023, and 2024.

Under this legislation, companies would be able to make healthy profits, but they would not be able to make an obscene profit without stiff tax penalties.

The windfall profits tax could raise an estimated **$400 billion in one year** from 30 of the largest corporate profiteers alone.

Support for a Windfall Profits Tax:

Numerous scholars and policy experts have voiced support for the windfall profits tax as a strong measure to fight inflation and, at the very least, ensure that corporate profiteering is limited. For example, tax scholar Reuven Avi-Yonah called for the revival of the tax in the American Prospect, economists Emmanuel Saez and Gabriel Zucman advocated for the tax in a New York Times op-ed, and Economic Policy Institute economist Josh Bivens noted that the policy was one that could work quickly to combat rising costs compared to many other policy levers. Similarly, Oxfam has consistently pushed for countries across the planet to enact a windfall profits tax in order to fight growing wealth and income inequality during the pandemic.

It is unconscionable that many of the largest corporations in America are using the pandemic and Russia's invasion of Ukraine to enlarge their profits at the cost of increasing prices on working families. Enacting the robust windfall profits tax in the Ending Corporate Greed Act would put an end to these practices and raise significant revenue that could be used to aid families in need.

Support for This Bill:

This legislation is endorsed by: Economic Policy Institute, American Economic Liberties Project, Groundwork Action, Sunrise Movement, Friends of the Earth, Food & Water Watch, and the Center for Biological Diversity.

"When American families are being forced to pay more for almost all of their basic needs, it seems eminently reasonable to ask those who have benefited from those same circumstances to give a bit more. The Ending Corporate Greed Act disincentives corporations using the cover of inflation to artificially raise prices and profit off passing additional costs onto consumers, and demands that the largest corporations in this country shoulder some of the cost of this economic crisis, instead of leaving it all to working families." – **Morris Pearl**, Chair of the Patriotic Millionaires and former managing director at BlackRock, Inc.

"A windfall corporate profits tax is badly needed to put the brakes on corporate profiteering that has run rampant over the course of the pandemic. And now, the war in Ukraine is providing yet another opportunity for multinational energy giants and oil executives to drive up profit margins— while forcing families to pay more at the pump and on their energy bills. Just listen to any of the dozens of recent corporate earnings calls in which wealthy corporate executives explain how they are jacking up prices on consumers around the country so their shareholders can get even richer. Families, workers, and consumers expect their government to stand up against the kind of corporate abuses we're seeing today and Sen. Sanders's bill does exactly that." – **Rakeen Mabud**, Chief Economist, Groundwork Collaborative.

"The Ending Corporate Greed Act is a key part of controlling price hikes and ensuring that the burdens of inflation are shared. Congress needs to take corporate profiteering seriously. While many families and small businesses are struggling to afford seemingly ever-rising prices, large corporations are reporting some of their biggest profit margins in 70 years. This legislation tackles the problem by lowering corporate incentives to price-gouge at the expense of working families." – **Erik Peinert**, Research Manager and Editor at the American Economic Liberties Project.

"Reviving a WWII-style excess profits tax [or broad-based windfall profits tax] can decrease the incentives corporations have to hike prices and level the business playing field by decreasing the financial firepower super-profitable firms have to buy up competitors. This excess profits tax would also redistribute the oversized gains from rent-seeking and luck toward more productive aims—in the public's interest." – **Niko Lusiani**, Director of the Corporate Power Program at the Roosevelt Institute.

"The recent burst of inflation fattened corporate profits while keeping the benefits of a strong labor market recovery from fully reaching US families. But smart policies – and a windfall profits taxes is one of them – could spread these gains and losses far more-fairly across the US economy." – **Josh Bivens**, Director of Research at the Economic Policy Institute.

"The Covid pandemic, and now war in Europe, have caused immense suffering — but also prosperity for a few giant corporations. In the past, the United States has successfully used excess profits taxes to remedy this unfairness. Senator Sanders's bill reconnects with this distinguished tradition, for the benefit of us all." – **Gabriel Zucman**, Professor of Economics at the University of California, Berkeley.

"Covid and war disruptions have created windfall profits for some of our largest companies while workers and consumers suffered and our government got further into debt. The excess profit tax proposed by Senator Sanders is a direct and transparent remedy to this injustice. A well tested remedy that the United States successfully used during the two World Wars of the 20th century." – **Emmanuel Saez**, Professor of Economics at the University of California, Berkeley.

"This legislation is fully justified in situations like today where corporations make a tremendous amount of profit due to circumstances that have nothing to do with their own actions, but rather luck and rents." – **Reuven Avi-Yonah**, Irwin I. Cohn Professor of Law at University of Michigan.

"Big Oil is teaching a master class in war profiteering and disaster capitalism. Near record stock buybacks are reprehensible while war rages and consumers suffer. It's time for a windfall profits tax." – **Lukas Ross**, Program Manager at Friends of the Earth.

"Gas prices are high because fossil corporations are capitalizing on this crisis to loot working people at the gas pump. It's despicable that corporations can hold us hostage during a pandemic and a deadly conflict to make record profits and line the pockets of their executives at our expense. If our politicians are serious about helping everyday people and making corporations pay their fair share, they must pass the Ending Corporate Greed Act." – **Lauren Maunus**, Advocacy Director of Sunrise Movement.

“Americans have been shouldering the burden of high energy prices, while Big Oil is raking in record-breaking profits. From sponsoring Putin’s war machine to fueling the climate emergency, Big Oil must pay a stiff price for its atrocious exploitation of global crises. The Ending Corporate Greed Act will put the onus on selfish corporations to pay up while bringing relief to families struggling to keep up with rising costs.” – **Kassie Siegel**, director of the Center for Biological Diversity’s Climate Law Institute.

"There is a long history of corporations exploiting crises for profit, enriching shareholders and CEOs while exacerbating problems for the public. This is particularly disturbing when it happens in the energy and food sectors. That is exactly what we are seeing now, where corporate profits are soaring, and families are struggling to keep up with rising food and fuel prices. We applaud the leadership of Senator Sanders efforts to put an end to this current episode of price gouging and return these excess profits to the public. It is time for Congress to pass a windfall profits tax to hold these bad actors accountable and support families who are facing real struggles due to rising prices." – **Jim Walsh**, Policy Director at Food & Water Watch.

Examples of How the End Corporate Greed Act Would Work If Enacted Last Year

The windfall profits tax could raise an estimated **$400 billion in one year** from 30 of the largest corporate profiteers alone.

Oil

The windfall profits tax would raise **$31.9 billion** from three of the top oil companies alone.

- **Chevron**’s average profit between 2015-2019 was $7.6 billion, but its 2021 profit was $21.6 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $12.9 billion in taxes and still would have maintained $8.7 billion in profits.
  - Chevron’s revenues increased by 84 percent from 2020 to 2021. At the same time, oil prices doubled and the price of natural gas tripled while the company engaged in $1.4 billion in stock buybacks and spent $500 million more on shareholder dividends than it did in 2020.
- **Exxon Mobil**’s average profit between 2015-2019 was $19.9 billion, but its 2021 profit was $31.2 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $9.5 billion in taxes and still would have maintained $21.7 billion in profits.
  - Exxon’s revenues increased by 57 percent to $286 billion in 2021. Exxon spent $15 billion on dividends in 2021, $50 million more than in 2020, and the company has plans to spend $10 billion on stock buybacks over the next 1-2 years.
- **ConocoPhillips**’s average profit between 2015-2019 was $823 million, but its 2021 profit was $12.7 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $9.5 billion in taxes and still would have maintained $3.2 billion in profits.

Big Tech

The windfall profits tax would raise **$184.1 billion** from five of the top big tech pandemic profiteers alone.

- **Amazon**'s average profit between 2015-2019 was $6.9 billion, but its 2021 profit was $38.2 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $28.6 billion in taxes and still would have maintained $9.5 billion in profits.
  - Amazon's profits increased by 58 percent from 2020 to 2021. Amazon just announced a plan to spend $10 billion in stock buybacks. The company recently increased the price of a Prime membership by 17 percent.
  - Amazon continues to bust organizing efforts at warehouses in Alabama and New York, spending as much as $25 million during the election last year in Bessemer.
- **Apple**'s average profit between 2015-2019 was $67.3 billion, but its 2021 profit was $109.2 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $35.4 billion in taxes and still would have maintained $73.8 billion in profits.
  - Apple's profits increased by 63 percent from 2020 to 2021, and its CEO, Tim Cook, took home almost $99 million in compensation last year.
- **Alphabet**'s (Google's) average profit between 2015-2019 was $29.1 billion, but its 2021 profit was $90.7 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $56.8 billion in taxes and still would have maintained $33.9 billion in profits.
  - Alphabet's profits increased by 89 percent from 2020 to 2021.
- **Microsoft**'s average profit between 2015-2019 was $30.8 billion, but its 2021 profit was $71.1 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $36.4 billion in taxes and still would have maintained $34.7 billion in profits.
  - Microsoft's profits increased by 34 percent from 2020 to 2021.
- **Meta**'s (Facebook's) average profit between 2015-2019 was $17.9 billion, but its 2021 profit was $47.3 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $26.9 billion in taxes and still would have maintained $20.4 billion in profits.
  - Meta's profits increased by 43 percent from 2020 to 2021.

Pharmaceutical Industry

The windfall profits tax would raise **$26.5 billion** from four of the largest pharmaceutical companies alone.

- **Pfizer**'s average profit between 2015-2019 was $10.6 billion, but it's 2021 profit was $24.3 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $12.4 billion in taxes and still would have maintained $11.9 billion in profits.
  - Pfizer's profits increased by 246 percent from 2020 to 2021.
- **Johnson & Johnson**'s average profit between 2015-2019 was $18.4 billion, but its 2021 profit was $22.8 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $2.9 billion in taxes and still would have maintained $19.8 billion in profits.
  - Johnson & Johnson's profits increased by 38 percent from 2020 to 2021.

- **AmerisourceBergen**'s average profit between 2015-2019 was $944 million and its 2021 profit was $2.2 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $1.2 billion in taxes and still would have maintained $1.1 billion in profits.
- **Moderna**'s average profit between 2015-2019 was $343 million and its 2021 profit was $13.3 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $10 billion in taxes and still would have maintained $3.3 billion in profits.

Health Care Industry

The windfall profits tax would raise **$17.5 billion** from three of the largest private health insurance companies alone.

- **UnitedHealth Group**'s average profit between 2015-2019 was $14 billion, but its 2021 profit was $22.3 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $7 billion in taxes and still would have maintained $15.3 billion in profits.
  - UnitedHealth Group's profits increased by 8 percent last year during the pandemic, and 22 percent of their profits were spent on stock buybacks. They paid their CEO $17.9 million in 2020.
- **CVS Health**'s average profit between 2015-2019 was $7.2 billion, but its 2021 profit was $10.4 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $2.6 billion in taxes and still would have maintained $7.8 billion in profits.
  - CVS Health's profits increased by 7 percent from 2020 to 2021.
- **Anthem**'s average profit between 2015-2019 was $4.8 billion, but its 2021 profit was $7.9 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $2.6 billion in taxes and still would have maintained $5.3 billion in profits.
  - UnitedHealth Group's profits increased by 27 percent from 2020 to 2021.

Banking

The windfall profits tax would raise **$33.2 billion** from four of the largest banks in America alone.

- **JP Morgan Chase**'s average profit between 2015-2019 was $37.4 billion, but its 2021 profit was $59.6 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $18.8 billion in taxes and still would have maintained $40.8 billion in profits.
  - JP Morgan Chase's profits increased by 66 percent from 2020 to 2021. JP Morgan Chase spent $18.4 billion in stock buybacks last year and their CEO Jamie Dimon got almost $32 million in compensation in 2020. The company's interest rates for savings accounts are just .01 percent, only 16 percent of the national average. It made nearly $21 million in profits from consumer and community banking alone in 2021, an increase of more than 250 percent.
- **Bank of America**'s average profit between 2015-2019 was $28.8 billion, but its 2021 profit was $34 billion. If the windfall profits tax had been in place in 2021, it would have

paid an additional $3.2 billion in taxes and still would have maintained $30.8 billion in profits.
    - Bank of America’s profits increased by 79 percent from 2020 to 2021.
- **Citigroup**'s average profit between 2015-2019 was $23.3 billion, but its 2021 profit was $27.5 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $2.5 billion in taxes and still would have maintained $25 billion in profits.
    - Citigroup’s profits increased by 102 percent from 2020 to 2021.
- **Capital One**’s average profit between 2015-2019 was $6.2 billion, but its 2021 profit was $15.8 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $8.7 billion in taxes and still would have maintained $7 billion in profits.
    - Capital One’s profits increased by 394 percent from 2020 to 2021.

Housing

The windfall profits tax would raise **$12.7 billion** from two of the top housing pandemic profiteers alone.

- **Blackstone**’s average profit between 2015-2019 was $3.1 billion, but its 2021 profit was $13.6 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $9.7 billion in taxes and still would have maintained $3.8 billion in profits.
    - Blackstone’s profits increased by 418 percent from 2020 to 2021. Blackstone, a private equity firm, is the largest owner of commercial real estate in the world and is expanding its rental housing portfolio.
    - The United Nations previously accused Blackstone of exploiting tenants through massively inflating rents, imposing an array of heavy fees and charges for ordinary repairs, and undertaking “aggressive evictions.”
- **The Carlyle Group**’s average profit between 2015-2019 was $635 million, but its 2021 profit was $4 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $3 billion in taxes and still would have maintained $1 billion in profits.
    - The Carlyle Group’s profits increased by 594 percent from 2020 to 2021.
    - The Carlyle Group, a private equity firm, owns 5,000 manufactured homesites. Residents of mobile home communities owned by the company report substantial rent increases, aggressive fees for small infractions, and escalating evictions. Furthermore, The Carlyle Group continued to file eviction notices to tenants after the CDC eviction moratorium took effect in September 2020.

Food and Retail

The windfall profits tax would raise **$7.9 billion** from five of the top food and retail pandemic profiteers alone.

- **Starbucks**’s average profit between 2015-2019 was $4.5 billion, but its 2021 profit was $5.4 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $492 million in taxes and still would have maintained $4.9 billion in profits.
    - Starbucks’ profits more than tripled from 2020 to 2021. Starbucks has raised its prices three times since last October, and the price of a venti cup of coffee has

increased by 20 percent since the beginning of 2021. While Starbucks hiked its prices, it increased compensation for its CEO by nearly 40 percent. Starbucks announced $20 billion in stock buybacks over the next three years last October.
    - Starbucks has spent millions busting union organizing efforts at stores across the country and has cut employees' hours and benefits.
- **Target**'s average profit between 2015-2019 was $4.1 billion, but its 2021 profit was $8.9 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $4.3 billion in taxes and still would have maintained $4.6 billion in profits.
    - Target's profits increased by 61 percent from 2020 to 2021.
- **Kellogg's**' average profit between 2015-2019 was $1.2 billion, but its 2021 profit was $2 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $653 million in taxes and still would have maintained $1.3 billion in profits.
    - Kellogg's' profit grew 23 percent last year and their CEO Steven Cahillane received $11.7 million in compensation. Cereal prices are up 11 percent over the last two years, and Kellogg's has announced plans to increase its prices further this year.
    - Kellogg's workers at cereal production facilities in Michigan, Nebraska, Pennsylvania, and Tennessee went on strike for nearly 4 months in 2021 after the company threatened to outsource jobs to Mexico and refused to negotiate a fair contract with workers. Kellogg's ultimately gave workers just a 3 percent raise while their profits grew by nearly eight times that amount.
- **Tyson**'s average profit between 2015-2019 was $2.5 billion, but its 2021 profit was $4 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $1.3 billion in taxes and still would have maintained $2.7 billion in profits.
    - Poultry prices grew by 7 percent last year and Tyson's pre-tax profits grew by 52 percent while their CEO Noel White received $11 million in compensation.
- **Archer-Daniels-Midland**'s average profit between 2015-2019 was $1.9 billion, but it's 2021 profit was $3.3 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $1.2 billion in taxes and still would have maintained $2.1 billion in profits.
    - Archer-Daniels-Midland's profits grew by 76 percent from 2020 to 2021.

Automobile Manufacturing

The windfall profits tax would raise **$13.3 billion** from two of the top automobile manufacturer pandemic profiteers alone.

- **General Motors**'s average profit between 2015-2019 was $9.6 billion, but its 2021 profit was $12.7 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $2.3 billion in taxes and still would have maintained $10.5 billion in profits.
    - General Motors's profits grew by 57 percent from 2020 to 2021.
- **Ford Motor**'s average profit between 2015-2019 was $5.8 billion, but its 2021 profit was $17.8 billion. If the windfall profits tax had been in place in 2021, it would have paid an additional $11 billion in taxes and still would have maintained $6.8 billion in profits.