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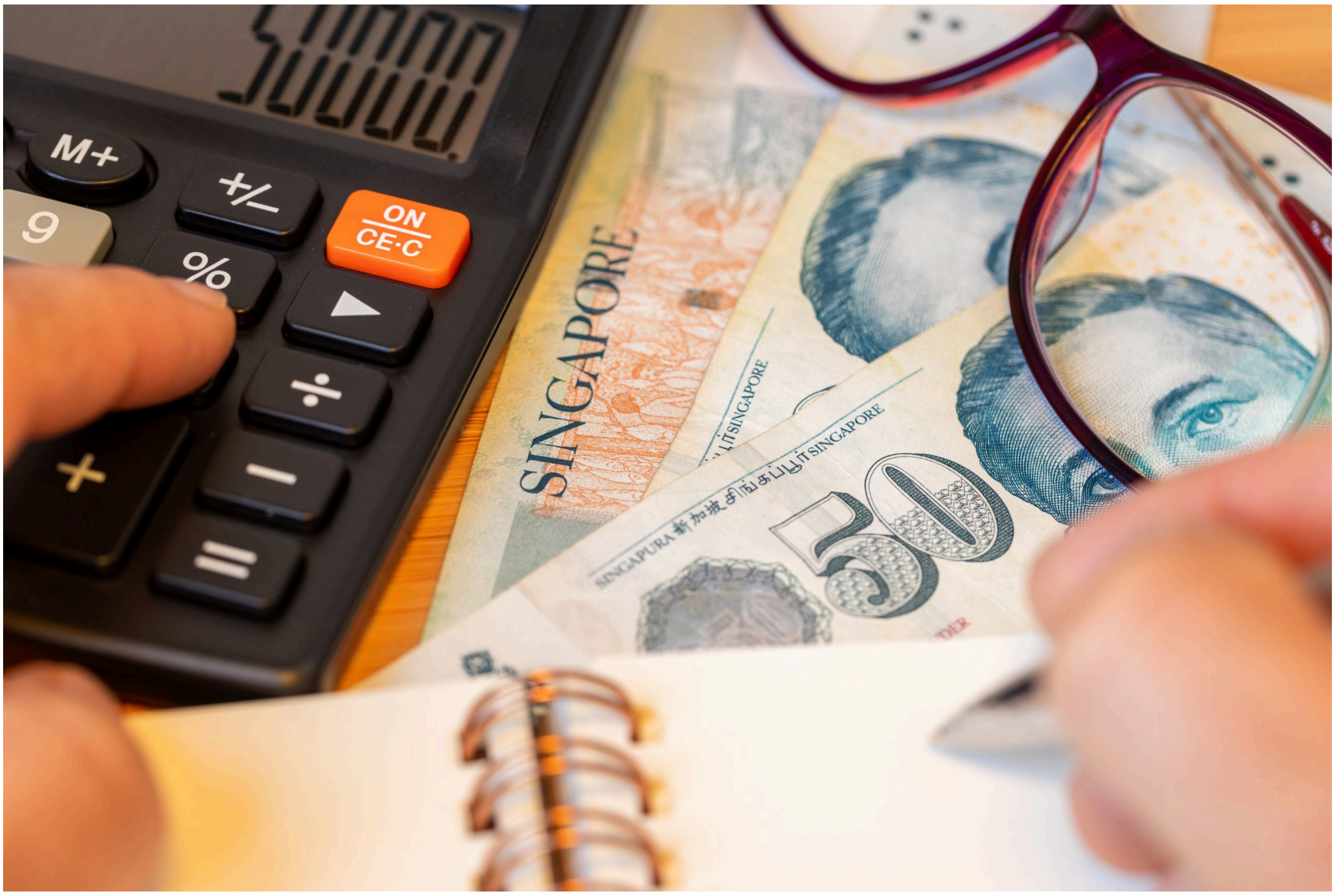
New Transparency Requirements Reveal Low U.S. Taxes, Continued Use of Tax Havens by Major American Corporations



By Thomas Georges & Zorka Milin
February 3, 2026

Major U.S. companies are having to come clean about their risky tax exposures and just how little tax they pay in the U.S. The new information is a result of improved accounting rules at the Financial Accounting Standards Board that were long advocated for by investors, the FACT Coalition, and others.

For the first time ever, U.S. corporate annual reports now include more granular disclosures of cash tax payments and other tax metrics. We can clearly see the fruit of Congress repeatedly showering tax giveaways on large corporations: **major American companies often pay more tax in other countries than they do at home.** How American is the world's largest aerospace company, Boeing, when it pays more than twice as much tax in Germany as in the U.S., or General Motors, which pays more income taxes to both Canada and Mexico than to the U.S. government?

The FACT Coalition has started to dig into the details of these important new disclosures. In some cases, much of the tax pie ends up in tax havens. Meta reported substantial cash tax payments to Ireland, a tax haven where American tech and pharmaceutical companies have long been booking their profits, and sometimes locating their production. It's not just Ireland: GE Aerospace, a major market leader in airplane engine manufacturing, paid more tax in Singapore than to the federal government in 2025, even though most of its profits are domestic. Much of GE's Singapore tax was reportedly collected under a new global corporate minimum tax negotiated at the OECD, which is more stringent than similar U.S. rules.

Another GE spin-off company, GE Vernova, made nearly half of its total revenue for 2025 in the U.S., but reported less than 3 percent of its pre-tax profits domestically. The company is reporting that it reduced its overall tax rate through several tax havens, including Ireland ($141 million), the Netherlands ($125 million), and Singapore ($31 million). The company's expected benefit from these jurisdictions appears to outweigh the deterrent effect of U.S. rules like GILTI and Subpart F that are meant – but fail – to stop U.S. companies from shifting profits to tax havens. U.S. policymakers must fix our broken tax code that continues to allow and even incentivize these kinds of corporate tax avoidance games.

Similarly, PepsiCo, the second-largest food and beverage company in the world, made more than half of its net revenues in the U.S. in 2025, but reported less than 10 percent of its pre-tax income domestically. It registered huge reductions in its tax rate from Ireland ($95 million), Singapore ($139 million), Switzerland ($117 million), and Bermuda ($310 million). Pepsi reported large cash tax payments to Ireland, as well as to Russia, where the company has maintained substantial operations despite Vladimir Putin's ongoing aggression in Ukraine.

Nothing illustrates our America-last tax code more starkly than the fact that Tesla paid only $28 million to the U.S. government in 2025, around 27 times less than the $751 million it paid to China. Despite making the vast majority of its profit in the U.S., Tesla has reported owing hardly any income tax at all in the U.S. for years, as highlighted by FACT member the Institute on Taxation and Economic Policy (ITEP). That trend continues, with Tesla expecting to owe no same-year federal tax for 2025. What does it say about America's tax code if China does a better job of taxing our own companies?

The new tax information in companies' annual financial reports represents an enormous improvement upon what was previously available, and is only the beginning of a wave of new disclosures pursuant to requirements advocated for by investors, FACT, and our allies. Later this year, major American companies, including Microsoft and Apple, are expected to begin disclosing more comprehensive information about their operations in a range of high-risk jurisdictions typically associated with profit shifting and related tax avoidance schemes under public country-by-country reporting (CbCR) laws in the EU and Australia. FACT will continue to monitor and analyze these new disclosures as they are released.

Multinational Tax Avoidance **FASB** **GILTI** **Tax Havens** **International Tax Reform** **Public Country by Country Reporting**

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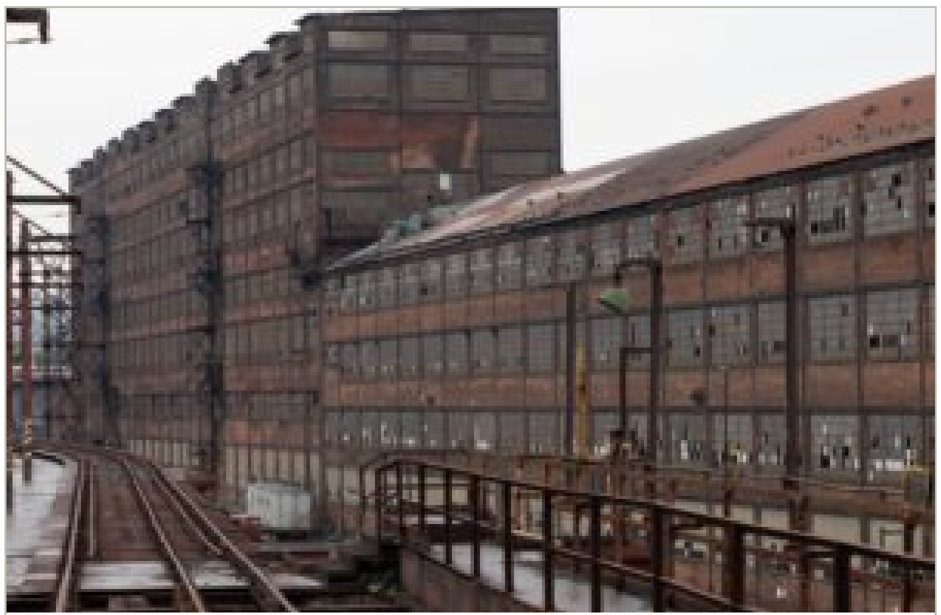

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