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Media Release

**Tax Justice Network, UK Report launching ‘Ten Reasons to Defend the Corporation Tax’**

**Reducing Corporate Tax will create more Poverty in Developing Countries**

On 19 March 2015, Tax Justice Network, a UK based worldwide alliance has published a Landmark Report titled “**Ten Reasons to Defend the Corporate Tax**”. This report is going to be published at the right moment when the governments of the LDC and Developing Countries are grossly pushed to waive the corporate taxes. The report mentioned that corporate income tax is under attack. Nation states are scrambling to offer multinational corporations an ever growing feast of lower taxes, loopholes and incentives. Lobbyists and politicians constantly try to persuade us that the corporate tax is a bad, inefficient, unreasonable tax. Yet it is one of the most precious of all taxes.

EquityBD, since its birth, have been opposing this kind of policies that increase inequality. Big Multinational Corporations (MNCs) across the world make profits beyond an imagination of common people in developing countries. Corporate income taxes have added up to almost US$ 7.5 trillion since the global financial crisis erupted in 2008, in OECD countries alone. This is nearly half of all OECD public health spending and around double the amount spent on public tertiary education. Corporate tax is disappearing fast. Average headline tax rates are around half what they were in 1980, and on current trends will reach zero in the next two or three decades.

One of the ten points concerns revenue i.e. corporate income taxes raise essential revenue for schools, hospitals and the rule of law. The rest nine reasons include: the corporate income tax curbs inequality and protects democracy; it enhances national welfare; a tax cut in one place may suck capital from others; it is particularly more important for developing and poor countries than the rich ones; it curbs rent-seeking, that tends to be more profitable than genuine productive activities; it doesn’t stop at zero but turns negative and finally the corporate taxes spur transparency and more accountable government.

Mr. John Christensen, the director of Tax Justice Network said in this regard, “The corporate income tax is one of the best and most direct ways of taxing capital. On current trends the tax will soon disappear, ushering in an era of unaccountable, untaxed plutocracy and towering inequality in all countries.”

A former US Supreme Court Justice, Mr. Louis Brandeis said, “We can either have democracy in this country or we can have great wealth concentrated in the hands of few. But we can’t have both.”

Mr. Rezaul Karim Chowdhury, the Chief Moderator of EquityBD said, “When we, the CSO across the world, are urging for a Redistributive Justice for a post 2015 world based on the unsatisfactory achievement of MDG, we can’t afford the MNCs go untaxed as it only creates inequality.”

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