

Amazon Made \$5.6 Billion in Profits Last Year and Reportedly Paid Zero American Dollars in Federal Taxes



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Photo: AP

Jeff Bezos is the richest person in the world, with a personal net worth of \$108 billion. In 2017, Bezos' company, the internet retail giant Amazon, reportedly took in \$5.6 billion in U.S. profits.

So, how much did Amazon pay in income tax on that bounty? Hang on, we're getting some news...what? What's this? Amazon effectively paid zero dollars in federal income taxes in 2017? Oh.

Amazon is projecting a \$789 million windfall from Republicans' tax bill, according to the Institute on Taxation and Economic Policy, which may have factored into its reason for withholding taxes this year. Bezos—like many other nominally liberal capitalists—claims to disagree with Donald Trump's policies, while quietly lapping up the Republicans' regressive tax breaks.

You may be asking: How is this legal? Isn't Amazon an American company? Aren't companies required to pay federal income tax? Hello?

Amazon's global headquarters is not in Seattle, but in the tiny landlocked nation of Luxembourg (Amazon employs more than 40,000 people in Seattle, compared to 1,500 people in Luxembourg.). The European Union has accused Luxembourg of giving illegal tax breaks to Amazon and has ordered the country to recover \$295 million in back taxes from Amazon.

As Matthew Gardner at the Institute on Taxation and Economic Policy writes, Amazon was able to effectively zero out its federal income tax burden by leveraging various tax benefits. Here's what Amazon had to say in its U.S. Securities and Exchange Commission filing (emphasis mine):

Our provision for income taxes in 2017 was lower than in 2016 **primarily due to excess tax benefits from stock-based compensation and the provisional favorable effect of the 2017 Tax Act**, partially offset by an increase in the proportion of foreign losses for which we may not realize a tax benefit and audit-related developments.

Jeff Bezos' obsession with avoiding taxes goes back to Amazon's inception. In 1995, Bezos originally wanted to build Amazon's U.S. headquarters on a Native American reservation near San Francisco because it offered a tax break. But California stopped the deal from going through.

Now, Bezos is looking to do the same thing all over again. Amazon is in the process of choosing another U.S. city for a second headquarters, an offer so lucrative that it's compelled cities into garishly competing with each other in a tax break pageant.

Personally, Bezos has also lagged behind fellow ultra-rich guys like Bill Gates in establishing a charitable foundation to eventually redistribute his massive fortune. While he has given a relative pittance to charities in

the past, there is no structure in place to help distribute his unthinkable wealth to people who badly need help.

The notion of charity has Bezos so stumped that last summer, he took to Twitter to ask his followers how to do philanthropy:

This call out of course goes without mentioning Amazon's own workplace horror stories. In January, a study found that more than one in 10 Amazon employees in Ohio rely on Supplemental Nutrition Assistance Program (SNAP) to buy groceries. And SNAP is... a government program... funded by... tax revenue.

Hey, Jeff, I have a great charity in mind for you! It's called the U.S. government! Pay your fuckin' taxes, my dude!!! And maybe pay your warehouse workers a living wage so they don't have to depend on food stamps! Just spitballing here!! (We've reached out to Amazon for comment and will update this post if we hear back.)

Bezos has pioneered a new, especially brazen school of corporate stewardship while maintaining a flimsy veneer of liberalism. He seems to sincerely believe that the United States ought to work for companies like his, not the other way around. Under that working philosophy, it's OK to shirk his tax burden—since paying the company's fair share of taxes just isn't part of Bezos' *vision* for his company.

Bezos became the richest man in the world by gaming the system, by selling his wares at artificially low prices, driving small companies out of business, and then seeking out as many loopholes as he and his attorneys could find to avoid paying taxes.

Bezos shows just how stinkin' rich you can get in this country, so long as you don't concern yourself too much with the consequences of your actions. Bezos embodies the insular, dissonant thinking of the emergent class of nominally liberal American aristocrats. How else could you own a newspaper with the tagline "Democracy dies in darkness" while simultaneously shirking millions of dollars in taxes and managing not to drop dead from irony?

It's not crazy to expect the company owned by the wealthiest man in the world pay taxes to the government that allowed it to become so successful in the first place.

Jeff Bezos: pay your taxes, you cueball lookin-ass.