

Exxon's 2007 Tax Bill: \$30 Billion

[Mark J. Perry, Ph.D.](#)

<http://seekingalpha.com/article/63131-exxon-s-2007-tax-bill-30-billion>

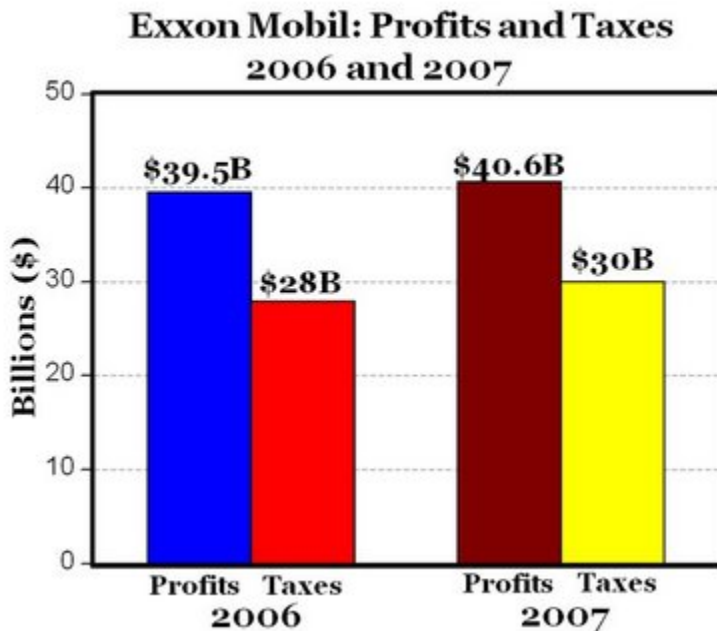
February 5, 2008

Corporate profits receive a lot of media attention, but what receives considerably less attention are the corporate taxes paid on corporate profits. Do a Google search for "Exxon profits" and you'll get about 8,000 hits. Now try "Exxon taxes" and you'll get a little more than 300 hits. That's a ratio of about 33 to 1.

I'm pretty sure that Exxon's tax payment in 2007 of \$30 billion (that's \$30,000,000,000) is a record, exceeding the \$28 billion it paid last year.

By the way, Exxon pays taxes at a rate of 41% on its taxable income!

[Update: The \$40.6 billion and \$39.5 billion figures are after-tax profits. For 2006, [Exxon's EBT](#) (earnings before tax) was \$67.4 billion, it paid \$27.9 billion in taxes (41.4% tax rate), and its NIAT (net income after tax), or profit, was \$39.5 billion.]



Over the last three years, Exxon Mobil has paid an average of \$27 billion annually in taxes. That's \$27,000,000,000 per year, a number so large it's hard to comprehend. Here's one way to put Exxon's taxes into perspective.

According to IRS data for 2004, the most recent year available:

Total number of tax returns: 130 million

Number of Tax Returns for the Bottom 50%: 65 million

Adjusted Gross Income for the Bottom 50%: \$922 billion

Total Income Tax Paid by the Bottom 50%: \$27.4 billion

Conclusion: In other words, just one corporation (Exxon Mobil) pays as much in taxes (\$27 billion) annually as the entire bottom 50% of individual taxpayers, which is 65,000,000 people! Further, the tax rate for the bottom 50% is only 3% of adjusted gross income (\$27.4 billion / \$922 billion), and the tax rate for Exxon was [41% in 2006](#) (\$67.4 billion in taxable income, \$27.9 billion in taxes).