

Congress of the United States

Washington, DC 20515

June 17, 2025

Rob Michael
CEO
Abbvie
1 North Waukegan Road
North Chicago
Illinois
60064

Dear Mr. Michael:

We write regarding your latest public financial reports indicating that AbbVie does not expect to owe any federal taxes for profits earned last year. These filings reveal that you earned \$3.72 billion in total profit but did not report any U.S. tax liability – in fact, you claimed to owe negative taxes in the United States.¹ This alarming fact illustrates just one of the ways in which our tax code has been skewed to benefit wealthy pharmaceutical corporations, enabling them to profit off Americans, charging them the highest drug prices in the world, without paying their fair share of taxes.

For decades, large U.S.-based multinational corporations have taken advantage of tax loopholes that allow them to “offshore” their profits, enabling them to shirk their responsibilities to pay American taxes.² Before the passage of the 2017 *Tax Cuts and Jobs Act* (TCJA), profits of foreign affiliates of U.S. companies were only subject to taxation once they were “repatriated,” or distributed to the U.S. parent.³ Corporations could limit their tax burdens by holding those profits abroad and engaging in complex tax planning regarding the timing of payments to the U.S. parent company.⁴

Instead of solving this problem, the TCJA created new incentives for pharmaceutical companies like yours to shift the vast majority of your profits offshore.⁵ Companies no longer have the option to defer repatriation and avoid taxes by holding their profits abroad, but the tax rate they pay on foreign affiliate income is very low—half of the domestic rate—and the incentives for tax

¹ Council on Foreign Relations, “American Pharmaceutical Companies Still Aren’t Paying Tax in the U.S.,” Brad Setser, March 14, 2025, <https://www.cfr.org/blog/american-pharmaceutical-companies-still-arent-paying-tax-us>.

² Council on Foreign Relations, “Cross-border Rx: Pharmaceutical Manufacturers and U.S. International Tax Policy,” Brad Setser, May 2023, <https://www.cfr.org/report/cross-border-rx-pharmaceutical-manufacturers-and-us-international-tax-policy>.

³ Penn Wharton Budget Model, “Did Tax Cuts and Jobs Act of 2017 Increase Revenue on US Corporations’ Foreign Income?,” October 12, 2023, <https://budgetmodel.wharton.upenn.edu/issues/2023/10/12/did-tcja-increase-revenue-on-us-corporation-foreign-income>.

⁴ *Id.*

⁵ Council on Foreign Relations, “American Pharmaceutical Companies Aren’t Paying Any Tax in the United States,” Brad Setser and Michael Weilandt, July 22, 2024, <https://www.cfr.org/blog/american-pharmaceutical-companies-arent-paying-any-tax-united-states>.

haven abuse remain strong.⁶ As a result, pharmaceutical companies have engaged in complex tax planning to move their intellectual property and production facilities out of the United States to take advantage of this new regime.⁷

The results speak for themselves, revealing the extent to which Big Pharma companies are avoiding U.S. taxes despite earning huge profits. AbbVie's latest Securities and Exchange Commission filings indicated that in 2024, the company declared losses of nearly \$8 billion in the United States and profits of over \$11 billion from abroad (mostly in Bermuda).⁸ Indeed, Abbvie and other top pharmaceutical companies have paid almost nothing in U.S. taxes since 2018, while Abbvie raked in over \$330 billion in profits during that time.⁹

Now, pharmaceutical companies want to extend these tax giveaways from the TCJA, and they are lining up to make their case on Capitol Hill. Lobbying by the pharmaceutical industry rose in 2024 compared to 2023, as the fight over extending the TCJA began in earnest.¹⁰ In the final quarter of 2024 alone, your company spent over half a million dollars lobbying on international tax issues.¹¹ Put another way, you spent more in three months of lobbying to maintain these loopholes than you have budgeted for your federal tax bill in the last 6 years.

Congress should not slash Social Security, Medicare, Medicaid, or other assistance to Americans trying to afford their prescription medication in order to pay for massive tax breaks for Big Pharma companies making record profits. One independent analysis suggests that reforming the loopholes that have allowed Big Pharma to pay almost nothing in taxes would raise at least \$100 billion over 10 years.¹²

To better understand your role in efforts to extend massive tax cuts for your industry, we request that you answer the following questions by July 1, 2025:

1. How much does your company expect to spend on lobbying expenses regarding' tax legislation in 2025?
2. Please list the trade associations, lobbying coalitions, or similar entities that your company is a part of—or has been a part of in the last five years—that have advocated for tax cuts for your corporation.

⁶ Penn Wharton Budget Model, "Did Tax Cuts and Jobs Act of 2017 Increase Revenue on US Corporations' Foreign Income?," October 12, 2023, <https://budgetmodel.wharton.upenn.edu/issues/2023/10/12/did-tcja-increase-revenue-on-us-corporation-foreign-income>.

⁷ Council on Foreign Relations, "American Pharmaceutical Companies Aren't Paying Any Tax in the United States," Brad Setser and Michael Weilandt, July 22, 2024, <https://www.cfr.org/blog/american-pharmaceutical-companies-arent-paying-any-tax-united-states>.

⁸ Council on Foreign Relations, "American Pharmaceutical Companies Still Aren't Paying Tax in the U.S.," Brad Setser, March 14, 2025, <https://www.cfr.org/blog/american-pharmaceutical-companies-still-arent-paying-tax-us>.

⁹ AbbVie, SEC filings, <https://investors.abbvie.com/sec-filings>.

¹⁰ Politico, "Pharma lobbying up in 2024," Chelsea Cirruzzo and Ben Leonard, April 22, 2024, <https://www.politico.com/newsletters/politico-pulse/2024/04/24/pharma-lobbying-up-in-2024-00153996>.

¹¹ OpenSecrets, "Client Profile: AbbVie Inc.," <https://www.opensecrets.org/federal-lobbying/clients/summary?cycle=2024&id=D000000391>.

¹² Council on Foreign Relations, "American Pharmaceutical Companies Still Aren't Paying Tax in the U.S.," Brad Setser, March 14, 2025, <https://www.cfr.org/blog/american-pharmaceutical-companies-still-arent-paying-tax-us>.

3. In the past 12 months, how much money has your company donated, whether directly or through other vehicles for political donations, to federal elected officials who are advocating for tax cuts for your corporation?
4. How much does Abbvie expect to pay in federal taxes on the company's 2024 income?
5. What would you estimate this tax liability to be if all of the year's profits were held entirely in the United States?
6. Do the provisions relating to foreign-earned income in the TCJA play a role in your company's decisions about how to structure your operations and where to conduct certain business functions? If so, how? If not, why not?
7. Please explain how your company lost \$11 billion in the United States, where you are based and where you employ about 26,000 workers,¹³ and earned \$11 billion in Bermuda, a country where you employ no workers.¹⁴

Thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren
United States Senator



Jan Schakowsky
Member of Congress

¹³ AbbVie, "10-year Impact Report," 2023, pp. 9, <https://www.abbvie.com/content/dam/abbvie-com2/pdfs/10-year-impact-report.pdf>.

¹⁴ U.S. Senate Committee on Finance, "Interim Report: Big Pharma Tax Avoidance Interim Report: Big Pharma Tax Avoidance," Senate Finance Committee Chair Ron Wyden, July 2022, pp. 2, <https://www.finance.senate.gov/imo/media/doc/Pharma%20Tax%20Report.pdf>.

Congress of the United States

Washington, DC 20515

June 17, 2025

Robert Bradway
CEO
Amgen
1 Amgen Center Drive
Thousand Oaks, CA
91230

Dear Mr. Bradway:

We write regarding your latest public financial reports indicating that Amgen expects to owe little to no federal taxes for profits earned last year. These filings reveal that you earned \$4.61 billion in total profit but paid just \$110,000 in federal taxes—an effective tax rate of just two hundredths of one percent.¹ This alarming fact illustrates just one of the ways in which our tax code has been skewed to benefit wealthy pharmaceutical corporations, enabling them to profit off Americans, charging them the highest drug prices in the world, without paying their fair share of taxes.

For decades, large U.S.-based multinational corporations have taken advantage of tax loopholes that allow them to “offshore” their profits, enabling them to shirk their responsibilities to pay American taxes.² Before the passage of the 2017 *Tax Cuts and Jobs Act* (TCJA), profits of foreign affiliates of U.S. companies were only subject to taxation once they were “repatriated,” or distributed to the U.S. parent.³ Corporations could limit their tax burdens by holding those profits abroad and engaging in complex tax planning regarding the timing of payments to the U.S. parent company.⁴

Instead of solving this problem, the TCJA created new incentives for pharmaceutical companies like yours to shift the vast majority of your profits offshore.⁵ Companies no longer have the option to defer repatriation and avoid taxes by holding their profits abroad, but the tax rate they pay on foreign affiliate income is very low—half of the domestic rate—and the incentives for tax

¹ Council on Foreign Relations, “American Pharmaceutical Companies Still Aren’t Paying Tax in the U.S.,” Brad Setser, March 14, 2025, <https://www.cfr.org/blog/american-pharmaceutical-companies-still-arent-paying-tax-us>.

² Council on Foreign Relations, “Cross-border Rx: Pharmaceutical Manufacturers and U.S. International Tax,” Brad Setser, May 2023, <https://www.cfr.org/report/cross-border-rx-pharmaceutical-manufacturers-and-us-international-tax-policy>.

³ Penn Wharton Budget Model, “Did Tax Cuts and Jobs Act of 2017 Increase Revenue on US Corporations’ Foreign Income?,” October 12, 2023, <https://budgetmodel.wharton.upenn.edu/issues/2023/10/12/did-tcja-increase-revenue-on-us-corporation-foreign-income>.

⁴ *Id.*

⁵ Council on Foreign Relations, “American Pharmaceutical Companies Aren’t Paying Any Tax in the United States,” Brad Setser and Michael Weilandt, July 22, 2024, <https://www.cfr.org/blog/american-pharmaceutical-companies-arent-paying-any-tax-united-states>.

haven abuse remain strong.⁶ As a result, pharmaceutical companies have engaged in complex tax planning to move their intellectual property and production facilities out of the United States to take advantage of this new regime.⁷

The results speak for themselves, revealing the extent to which Big Pharma companies are avoiding U.S. taxes despite earning huge profits. Amgen and other top pharmaceutical companies have paid almost nothing in U.S. taxes since 2018, while you raked in over \$186 billion in profits during that time.⁸

Now, pharmaceutical companies want to extend these tax giveaways from the TCJA, and they are lining up to make their case on Capitol Hill. Lobbying by the pharmaceutical industry rose in 2024 compared to 2023, as the fight over extending the TCJA began in earnest.⁹ In the final quarter of 2024 alone, your company spent over \$300,000 lobbying on international tax issues.¹⁰ Put another way, you spent three times as much in three months of lobbying to maintain these loopholes as you spent on your federal tax bill last year.

Congress should not slash Social Security, Medicare, Medicaid, or other assistance to Americans trying to afford their prescription medication in order to pay for massive tax breaks for Big Pharma companies making record profits. One independent analysis suggests that reforming the loopholes that have allowed Big Pharma to pay almost nothing in taxes would raise at least \$100 billion over 10 years.¹¹

To better understand your role in efforts to extend massive tax cuts for your industry, we request that you answer the following questions by July 1, 2025:

1. How much does your company expect to spend on lobbying expenses regarding' tax legislation in 2025?
2. Please list the trade associations, lobbying coalitions, or similar entities that your company is a part of—or has been a part of in the last five years—that have advocated for tax cuts for your corporation.
3. In the past 12 months, how much money has your company donated, whether directly or through other vehicles for political donations, to federal elected officials who are advocating for tax cuts for your corporation?

⁶ Penn Wharton Budget Model, “Did Tax Cuts and Jobs Act of 2017 Increase Revenue on US Corporations’ Foreign Income?,” October 12, 2023, <https://budgetmodel.wharton.upenn.edu/issues/2023/10/12/did-tcja-increase-revenue-on-us-corporation-foreign-income>.

⁷ Council on Foreign Relations, “American Pharmaceutical Companies Aren’t Paying Any Tax in the United States,” Brad Setser and Michael Weilandt, July 22, 2024, <https://www.cfr.org/blog/american-pharmaceutical-companies-arent-paying-any-tax-united-states>.

⁸ Amgen, Income Statement, <https://investors.amgen.com/stock/fundamentals/income-statement>.

⁹ Politico, “Pharma lobbying up in 2024,” Chelsea Cirruzzo and Ben Leonard, April 22, 2024, <https://www.politico.com/newsletters/politico-pulse/2024/04/24/pharma-lobbying-up-in-2024-00153996>.

¹⁰ Senate Lobbying Disclosures, Amgen, Quarter 4 2024, <https://lda.senate.gov/filings/public/filing/67fc83ca-8e78-41d1-9dfa-471eeb28600e/print/>, <https://lda.senate.gov/filings/public/filing/9df6607b-4d55-4ab0-873d-9428b386b077/print/>, <https://lda.senate.gov/filings/public/filing/fe47fd40-9bd9-406a-a59d-c42653f82df6/print/>, <https://lda.senate.gov/filings/public/filing/0fbf79d2-df46-46ba-a6ad-c6c9fb4cf928/print/>, <https://lda.senate.gov/filings/public/filing/2055482a-63ae-4a06-a9e8-e5bfca68756e/print/>.

¹¹ Council on Foreign Relations, “American Pharmaceutical Companies Still Aren’t Paying Tax in the U.S.,” Brad Setser, March 14, 2025, <https://www.cfr.org/blog/american-pharmaceutical-companies-still-arent-paying-tax-us>.

4. How much does Amgen expect to pay in federal taxes on the company's 2024 income?
5. What would you estimate this tax liability to be if all of the year's profits were held entirely in the United States?
6. Do the provisions relating to foreign-earned income in the TCJA play a role in your company's decisions about how to structure your operations and where to conduct certain business functions? If so, how? If not, why not?

Thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren
United States Senator



Jan Schakowsky
Member of Congress

Congress of the United States

Washington, DC 20515

June 17, 2025

Joaquin Duato
CEO
1 Johnson & Johnson Plaza
New Brunswick, NJ
08933

Dear Mr. Duato:

We write regarding your latest public financial reports indicating that Johnson and Johnson expects to owe no federal taxes for profits earned last year. These filings reveal that you earned \$16.69 billion in total profit but did not report any U.S. tax liability – in fact, you claimed to owe negative taxes in the United States.¹ This alarming fact illustrates just one of the ways in which our tax code has been skewed to benefit wealthy pharmaceutical corporations, enabling them to profit off Americans, charging them the highest drug prices in the world, without paying their fair share of taxes.

For decades, large U.S.-based multinational corporations have taken advantage of tax loopholes that allow them to “offshore” their profits, enabling them to shirk their responsibilities to pay American taxes.² Before the passage of the 2017 *Tax Cuts and Jobs Act* (TCJA), profits of foreign affiliates of U.S. companies were only subject to taxation once they were “repatriated,” or distributed to the U.S. parent.³ Corporations could limit their tax burdens by holding those profits abroad and engaging in complex tax planning regarding the timing of payments to the U.S. parent company.⁴

Instead of solving this problem, the TCJA created new incentives for pharmaceutical companies like yours to shift the vast majority of your profits offshore.⁵ Companies no longer have the option to defer repatriation and avoid taxes by holding their profits abroad, but the tax rate they pay on foreign affiliate income is very low—half of the domestic rate—and the incentives for tax haven abuse remain strong.⁶ As a result, pharmaceutical companies have engaged in complex tax

¹ Council on Foreign Relations, “American Pharmaceutical Companies Still Aren’t Paying Tax in the U.S.,” Brad Setser, March 14, 2025, <https://www.cfr.org/blog/american-pharmaceutical-companies-still-arent-paying-tax-us>.

² Council on Foreign Relations, “Cross-border Rx: Pharmaceutical Manufacturers and U.S. International Tax Policy,” Brad Setser, May 2023, <https://www.cfr.org/report/cross-border-rx-pharmaceutical-manufacturers-and-us-international-tax-policy>.

³ Penn Wharton Budget Model, “Did Tax Cuts and Jobs Act of 2017 Increase Revenue on US Corporations’ Foreign Income?,” October 12, 2023, <https://budgetmodel.wharton.upenn.edu/issues/2023/10/12/did-tcja-increase-revenue-on-us-corporation-foreign-income>.

⁴ *Id.*

⁵ Council on Foreign Relations, “American Pharmaceutical Companies Aren’t Paying Any Tax in the United States,” Brad Setser and Michael Weilandt, July 22, 2024, <https://www.cfr.org/blog/american-pharmaceutical-companies-arent-paying-any-tax-united-states>.

⁶ Penn Wharton Budget Model, “Did Tax Cuts and Jobs Act of 2017 Increase Revenue on US Corporations’ Foreign Income?,” October 12, 2023, <https://budgetmodel.wharton.upenn.edu/issues/2023/10/12/did-tcja-increase-revenue>.

planning to move their intellectual property and production facilities out of the United States to take advantage of this new regime.⁷

The results speak for themselves, revealing the extent to which Big Pharma companies are avoiding U.S. taxes despite earning huge profits. Johnson and Johnson and other top pharmaceutical companies have paid almost nothing in U.S. taxes since 2018, while you raked in over \$594 billion in profits during that time.⁸

Now, pharmaceutical companies want to extend these tax giveaways from the TCJA, and they are lining up to make their case on Capitol Hill. Lobbying by the pharmaceutical industry rose in 2024 compared to 2023, as the fight over extending the TCJA began in earnest.⁹ In the final quarter of 2024 alone, your company spent over \$150,000 lobbying on international tax issues.¹⁰ Put another way, you spent more in three months of lobbying to maintain these loopholes than you have spent on your federal tax bill in the past 6 years.

Congress should not slash Social Security, Medicare, Medicaid, or other assistance to Americans trying to afford their prescription medication in order to pay for massive tax breaks for Big Pharma companies making record profits. One independent analysis suggests that reforming the loopholes that have allowed Big Pharma to pay almost nothing in taxes would raise at least \$100 billion over 10 years.¹¹

To better understand your role in efforts to extend massive tax cuts for your industry, we request that you answer the following questions by July 1, 2025:

1. How much does your company expect to spend on lobbying expenses regarding' tax legislation in 2025?
2. Please list the trade associations, lobbying coalitions, or similar entities that your company is a part of—or has been a part of in the last five years—that have advocated for tax cuts for your corporation.
3. In the past 12 months, how much money has your company donated, whether directly or through other vehicles for political donations, to federal elected officials who are advocating for tax cuts for your corporation?
4. How much does Johnson and Johnson expect to pay in federal taxes on the company's 2024 income?

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⁷ Council on Foreign Relations, "American Pharmaceutical Companies Aren't Paying Any Tax in the United States," Brad Setser and Michael Weilandt, July 22, 2024, <https://www.cfr.org/blog/american-pharmaceutical-companies-arent-paying-any-tax-united-states>.

⁸ Johnson and Johnson, SEC filings, <https://www.investor.jnj.com/financials/sec-filings/default.aspx>.

⁹ Politico, "Pharma lobbying up in 2024," Chelsea Cirruzzo and Ben Leonard, April 22, 2024, <https://www.politico.com/newsletters/politico-pulse/2024/04/24/pharma-lobbying-up-in-2024-00153996>.

¹⁰ Senate Lobbying Disclosures, Johnson and Johnson, Quarter 4 2024, <https://lda.senate.gov/filings/public/filing/122a0200-ae84-4d4b-af00-68d34e21da9e/print/>, <https://lda.senate.gov/filings/public/filing/74dfbb55-8b8d-4d84-b20f-a722406bd700/print/>, <https://lda.senate.gov/filings/public/filing/ef96cbb8-d7c9-49aa-a82d-1dafd39ce41f/print/>.

¹¹ Council on Foreign Relations, "American Pharmaceutical Companies Still Aren't Paying Tax in the U.S.," Brad Setser, March 14, 2025, <https://www.cfr.org/blog/american-pharmaceutical-companies-still-arent-paying-tax-us>.

5. What would you estimate this tax liability to be if all of the year's profits were held entirely in the United States?
6. Do the provisions relating to foreign-earned income in the TCJA play a role in your company's decisions about how to structure your operations and where to conduct certain business functions? If so, how? If not, why not?

Thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren
United States Senator



Jan Schakowsky
Member of Congress

Congress of the United States

Washington, DC 20515

June 17, 2025

Robert Davis
CEO
Merck & Co Inc.
126 E Lincoln Ave
Rahway, NJ
07065

Dear Mr. Davis:

We write regarding your latest public financial reports indicating that Merck expects to owe no federal taxes for profits earned last year. These filings reveal that you earned \$19.94 billion in total profit but did not report any U.S. tax liability – in fact, you claimed to owe negative taxes in the United States.¹ This alarming fact illustrates just one of the ways in which our tax code has been skewed to benefit wealthy pharmaceutical corporations, enabling them to profit off Americans, charging them the highest drug prices in the world, without paying their fair share of taxes.

For decades, large U.S.-based multinational corporations have taken advantage of tax loopholes that allow them to “offshore” their profits, enabling them to shirk their responsibilities to pay American taxes.² Before the passage of the 2017 *Tax Cuts and Jobs Act* (TCJA), profits of foreign affiliates of U.S. companies were only subject to taxation once they were “repatriated,” or distributed to the U.S. parent.³ Corporations could limit their tax burdens by holding those profits abroad and engaging in complex tax planning regarding the timing of payments to the U.S. parent company.⁴

Instead of solving this problem, the TCJA created new incentives for pharmaceutical companies like yours to shift the vast majority of your profits offshore.⁵ Companies no longer have the option to defer repatriation and avoid taxes by holding their profits abroad, but the tax rate they pay on foreign affiliate income is very low—half of the domestic rate—and the incentives for tax

¹ Council on Foreign Relations, “American Pharmaceutical Companies Still Aren’t Paying Tax in the U.S.,” Brad Setser, March 14, 2025, <https://www.cfr.org/blog/american-pharmaceutical-companies-still-arent-paying-tax-us>.

² Council on Foreign Relations, “Cross-border Rx: Pharmaceutical Manufacturers and U.S. International Tax Policy,” Brad Setser, May 2023, <https://www.cfr.org/report/cross-border-rx-pharmaceutical-manufacturers-and-us-international-tax-policy>.

³ Penn Wharton Budget Model, “Did Tax Cuts and Jobs Act of 2017 Increase Revenue on US Corporations’ Foreign Income?,” October 12, 2023, <https://budgetmodel.wharton.upenn.edu/issues/2023/10/12/did-tcja-increase-revenue-on-us-corporation-foreign-income>.

⁴ *Id.*

⁵ Council on Foreign Relations, “American Pharmaceutical Companies Aren’t Paying Any Tax in the United States,” Brad Setser and Michael Weilandt, July 22, 2024, <https://www.cfr.org/blog/american-pharmaceutical-companies-arent-paying-any-tax-united-states>.

haven abuse remain strong.⁶ As a result, pharmaceutical companies have engaged in complex tax planning to move their intellectual property and production facilities out of the United States to take advantage of this new regime.⁷

The results speak for themselves, revealing the extent to which Big Pharma companies are avoiding U.S. taxes despite earning huge profits. Merck and other top pharmaceutical companies have paid almost nothing in U.S. taxes since 2018, while you raked in over \$355 billion in profits during that time.⁸

Now, pharmaceutical companies want to extend these tax giveaways from the TCJA, and they are lining up to make their case on Capitol Hill. Lobbying by the pharmaceutical industry rose in 2024 compared to 2023, as the fight over extending the TCJA began in earnest.⁹ In the final quarter of 2024 alone, your company spent over \$90,000 lobbying on international tax issues.¹⁰ Put another way, you spent more in three months of lobbying to maintain these loopholes than you have spent on your federal tax bill in the past 6 years.

Congress should not slash Social Security, Medicare, Medicaid, or other assistance to Americans trying to afford their prescription medication in order to pay for massive tax breaks for Big Pharma companies making record profits. One independent analysis suggests that reforming the loopholes that have allowed Big Pharma to pay almost nothing in taxes would raise at least \$100 billion over 10 years.¹¹

To better understand your role in efforts to extend massive tax cuts for your industry, we request that you answer the following questions by July 1, 2025:

1. How much does your company expect to spend on lobbying expenses regarding' tax legislation in 2025?
2. Please list the trade associations, lobbying coalitions, or similar entities that your company is a part of—or has been a part of in the last five years—that have advocated for tax cuts for your corporation.
3. In the past 12 months, how much money has your company donated, whether directly or through other vehicles for political donations, to federal elected officials who are advocating for tax cuts for your corporation?
4. How much does Merck expect to pay in federal taxes on the company's 2024 income?

⁶ Penn Wharton Budget Model, "Did Tax Cuts and Jobs Act of 2017 Increase Revenue on US Corporations' Foreign Income?," October 12, 2023, <https://budgetmodel.wharton.upenn.edu/issues/2023/10/12/did-tcja-increase-revenue-on-us-corporation-foreign-income>.

⁷ Council on Foreign Relations, "American Pharmaceutical Companies Aren't Paying Any Tax in the United States," Brad Setser and Michael Weilandt, July 22, 2024, <https://www.cfr.org/blog/american-pharmaceutical-companies-arent-paying-any-tax-united-states>.

⁸ Merck, SEC filings, <https://www.merck.com/investor-relations/financial-information/sec-filings/>.

⁹ Politico, "Pharma lobbying up in 2024," Chelsea Cirruzzo and Ben Leonard, April 22, 2024, <https://www.politico.com/newsletters/politico-pulse/2024/04/24/pharma-lobbying-up-in-2024-00153996>.

¹⁰ Senate Lobbying Disclosures, Merck, Quarter 4 2024, <https://lda.senate.gov/filings/public/filing/ee639444-33dc-40a0-b56d-1bea60caa20f/print/>, <https://lda.senate.gov/filings/public/filing/05705a09-4354-4f11-aa28-0e12ed5d345b/print/>.

¹¹ Council on Foreign Relations, "American Pharmaceutical Companies Still Aren't Paying Tax in the U.S.," Brad Setser, March 14, 2025, <https://www.cfr.org/blog/american-pharmaceutical-companies-still-arent-paying-tax-us>.

5. What would you estimate this tax liability to be if all of the year's profits were held entirely in the United States?
6. Do the provisions relating to foreign-earned income in the TCJA play a role in your company's decisions about how to structure your operations and where to conduct certain business functions? If so, how? If not, why not?

Thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren
United States Senator



Jan Schakowsky
Member of Congress

Congress of the United States

Washington, DC 20515

June 17, 2025

Albert Bourla
Pfizer, Inc.
66 Hudson Blvd E
New York, NY
10001

Dear Mr. Bourla:

We write regarding your latest public financial reports indicating that Pfizer expects to owe no federal taxes for profits earned last year. These filings reveal that you earned \$8 billion in total profit but did not report any U.S. tax liability – in fact, you claimed to owe negative taxes in the United States.¹ This alarming fact illustrates just one of the ways in which our tax code has been skewed to benefit wealthy pharmaceutical corporations, enabling them to profit off Americans, charging them the highest drug prices in the world, without paying their fair share of taxes.

For decades, large U.S.-based multinational corporations have taken advantage of tax loopholes that allow them to “offshore” their profits, enabling them to shirk their responsibilities to pay American taxes.² Before the passage of the 2017 *Tax Cuts and Jobs Act* (TCJA), profits of foreign affiliates of U.S. companies were only subject to taxation once they were “repatriated,” or distributed to the U.S. parent.³ Corporations could limit their tax burdens by holding those profits abroad and engaging in complex tax planning regarding the timing of payments to the U.S. parent company.⁴

Instead of solving this problem, the TCJA created new incentives for pharmaceutical companies like yours to shift the vast majority of your profits offshore.⁵ Companies no longer have the option to defer repatriation and avoid taxes by holding their profits abroad, but the tax rate they pay on foreign affiliate income is very low—half of the domestic rate—and the incentives for tax haven abuse remain strong.⁶ As a result, pharmaceutical companies have engaged in complex tax

¹ Council on Foreign Relations, “American Pharmaceutical Companies Still Aren’t Paying Tax in the U.S.,” Brad Setser, March 14, 2025, <https://www.cfr.org/blog/american-pharmaceutical-companies-still-arent-paying-tax-us>.

² Council on Foreign Relations, “Cross-border Rx: Pharmaceutical Manufacturers and U.S. International Tax Policy,” Brad Setser, May 2023, <https://www.cfr.org/report/cross-border-rx-pharmaceutical-manufacturers-and-us-international-tax-policy>.

³ Penn Wharton Budget Model, “Did Tax Cuts and Jobs Act of 2017 Increase Revenue on US Corporations’ Foreign Income?,” October 12, 2023, <https://budgetmodel.wharton.upenn.edu/issues/2023/10/12/did-tcja-increase-revenue-on-us-corporation-foreign-income>.

⁴ *Id.*

⁵ Council on Foreign Relations, “American Pharmaceutical Companies Aren’t Paying Any Tax in the United States,” Brad Setser and Michael Weilandt, July 22, 2024, <https://www.cfr.org/blog/american-pharmaceutical-companies-arent-paying-any-tax-united-states>.

⁶ Penn Wharton Budget Model, “Did Tax Cuts and Jobs Act of 2017 Increase Revenue on US Corporations’ Foreign Income?,” October 12, 2023, <https://budgetmodel.wharton.upenn.edu/issues/2023/10/12/did-tcja-increase-revenue-on-us-corporation-foreign-income>.

planning to move their intellectual property and production facilities out of the United States to take advantage of this new regime.⁷

The results speak for themselves, revealing the extent to which Big Pharma companies are avoiding U.S. taxes despite earning huge profits. Pfizer and other top pharmaceutical companies have paid almost nothing in U.S. taxes since 2018, while you raked in over \$429 billion in profits during that time.⁸

Now, pharmaceutical companies want to extend these tax giveaways from the TCJA, and they are lining up to make their case on Capitol Hill. Lobbying by the pharmaceutical industry rose in 2024 compared to 2023, as the fight over extending the TCJA began in earnest.⁹ In the final quarter of 2024 alone, your company spent over \$170,000 lobbying on international tax issues.¹⁰ Put another way, you spent more in three months of lobbying to maintain these loopholes than you have spent on your federal tax bill in the past 6 years.

Congress should not slash Social Security, Medicare, Medicaid, or other assistance to Americans trying to afford their prescription medication in order to pay for massive tax breaks for Big Pharma companies making record profits. One independent analysis suggests that reforming the loopholes that have allowed Big Pharma to pay almost nothing in taxes would raise at least \$100 billion over 10 years.¹¹

To better understand your role in efforts to extend massive tax cuts for your industry, we request that you answer the following questions by July 1, 2025:

1. How much does your company expect to spend on lobbying expenses regarding' tax legislation in 2025?
2. Please list the trade associations, lobbying coalitions, or similar entities that your company is a part of—or has been a part of in the last five years—that have advocated for tax cuts for your corporation.
3. In the past 12 months, how much money has your company donated, whether directly or through other vehicles for political donations, to federal elected officials who are advocating for tax cuts for your corporation?
4. How much does Pfizer expect to pay in federal taxes on the company's 2024 income?
5. What would you estimate this tax liability to be if all of the year's profits were held entirely in the United States?

⁷ Council on Foreign Relations, "American Pharmaceutical Companies Aren't Paying Any Tax in the United States," Brad Setser and Michael Weilandt, July 22, 2024, <https://www.cfr.org/blog/american-pharmaceutical-companies-arent-paying-any-tax-united-states>.

⁸ Pfizer, Financials, <https://investors.pfizer.com/Investors/Financials/Quarterly-Results/>.

⁹ Politico, "Pharma lobbying up in 2024," Chelsea Cirruzzo and Ben Leonard, April 22, 2024, <https://www.politico.com/newsletters/politico-pulse/2024/04/24/pharma-lobbying-up-in-2024-00153996>.

¹⁰ Senate Lobbying Disclosures, Pfizer, Quarter 4 2024, <https://lda.senate.gov/filings/public/filing/ee639444-33dc-40a0-b56d-1bea60caa20f/print/>, <https://lda.senate.gov/filings/public/filing/45ad2a11-8349-48a7-82cd-407a97e2c966/print/>, <https://lda.senate.gov/filings/public/filing/9dd0296e-ff62-4f78-972c-b4be98c213d3/print/>, <https://lda.senate.gov/filings/public/filing/c702d1ba-16d1-49a6-aece-c12b3f343548/print/>.

¹¹ Council on Foreign Relations, "American Pharmaceutical Companies Still Aren't Paying Tax in the U.S.," Brad Setser, March 14, 2025, <https://www.cfr.org/blog/american-pharmaceutical-companies-still-arent-paying-tax-us>.

6. Do the provisions relating to foreign-earned income in the TCJA play a role in your company's decisions about how to structure your operations and where to conduct certain business functions? If so, how? If not, why not?

Thank you for your attention to this important matter.

Sincerely,



Elizabeth Warren
United States Senator



Jan Schakowsky
Member of Congress