



Obama's Election-Year Lie That Never Dies

Obama's Assertion That Companies Get Tax Breaks To Ship Jobs Overseas Is A Political Ploy He Never Does Anything About

THE CLAIM: Today, Obama Presented As Fact The Notion That There Are “Tax Breaks To Corporations That Move Jobs And Profits Overseas.” OBAMA: “He says there's no way that he would close the loophole to give -- that gives oil companies billions each year in corporate welfare. Any tax breaks to corporations that move jobs and profits overseas, he had never heard of such a thing. Who knew? Who knew?” (President Barack Obama, Presidential Debate, Denver, CO, 10/5/12)

THE FACTS: “Under Present Law, There Are No Tax Credits Or Disallowance Of Deductions Specific To Locating Jobs In The United States Or Transferring Jobs Overseas.” “Under present law, there are no tax credits or disallowance of deductions specific to locating jobs in the United States or transferring jobs overseas. However, Congress has provided various credits to encourage certain activities or behavior and has disallowed deductions to curtail behavior deemed inappropriate or to discourage certain economic choices.” (“Descriptions Of Revenue Provisions Contained In The President's Fiscal Year 2013 Budget Proposal,” [Joint Committee On Taxation](#), p.73, 6/12)

- **The Actual Tax Provision Obama References Would Raise Only \$17 Million A Year, Or What You'd “Call A Rounding Error” With Obama's \$1 Trillion Annual Budget Deficits.** “Moreover, it is pretty small potatoes given the attention Democrats pay to it. The JCT estimated that ending the deduction for moving operations overseas would raise just \$168 million over a decade. In the federal government with an annual budget deficit of more than \$1 trillion, that's what you call a rounding error.” (Glenn Kessler, “Factchecking The First Presidential Debate Of 2012,” [The Washington Post's The Fact Checker](#), 10/4/12)

OBAMA HAS RECYCLED THIS PROMISE FOR YEARS

2004: Obama Said He Wanted To Ensure That “We Close Tax Loopholes To Companies Moving Jobs Overseas, And Making Them Invest Right Here In The United States.” OBAMA: “The fact of the matter is, it's more fun being in the majority. You can get more stuff done. And to the extent that I can lend my assistance to these other candidates so that we can promote some of the policies that we've talked about: making sure that we close tax loopholes to companies moving jobs overseas, and making them invest right here in the United States. Then, I'm going to do everything I can to make that happen.” (State Sen. Barack Obama, [Remarks In Illinois Senate Debate](#), Chicago, IL, 10/21/04)

2007: Obama Said “That’s Why We’ve Got To Stop Giving Tax Breaks To Companies That Send Jobs Overseas.” OBAMA: “That’s why we’ve got to give unions the power to do what they do best, which is organize workers to lift themselves up into the middle class. That’s why we’ve got to stop giving tax breaks to companies that send jobs overseas. Save those tax breaks for companies that invest right here in the United States of America.” (Sen. Barack Obama, Remarks At Campaign Event, Columbus, OH, 10/26/07)

2008: Candidate Obama Again Presented His Economic Plan As One That Ends “Tax Breaks For Companies That Ship Our Jobs Overseas And Give Them To Companies That Create Jobs Here In America.” OBAMA: “At this defining moment in our history, the question is not, ‘Are you better off than you were four years ago’ – we all know the answer to that. The real question is, ‘will our country be better off four years from now?’ How will we lift our economy and restore America’s place in the world? Here’s what I’ll do as President. ...I’ll end the tax breaks for companies that ship our jobs overseas and give them to companies that create jobs here in America.” (Obama For America Ad, “[Barack Obama: Defining Moment](#),” 10/24/08)

EVEN AS PRESIDENT, OBAMA USED THE SAME TALKING POINT

2009: Obama Said “We Need To Stop Giving Tax Breaks To Companies That Stash Profits Or Ship Jobs Overseas...” OBAMA: “We’re also doing away with the unnecessary giveaways that have thrown our tax code out of balance. I said this during the campaign, I’m now saying it as President: We need to stop giving tax breaks to companies that stash profits or ship jobs overseas so we can invest in job creation here at home.” (President Barack Obama, [Remarks On Taxes](#), Washington, D.C., 4/15/09)

2010: Obama Said “That’s Why We Want To End Tax Breaks Going To Companies That Are Shipping Jobs Overseas...” OBAMA: “And that means a future where we encourage American innovation and American ingenuity. That’s why we want to end tax breaks going to companies that are shipping jobs overseas and start giving those tax breaks to companies that are investing in jobs and research and plants and equipment right here in the United States of America.” (President Barack Obama, [Remarks By The President At Finance Reception For Congressman Sestak](#), Washington, D.C., 9/20/10)

2011: Obama Said That Voters Have A Choice To “Go Back To The Ideas We Tried In The Last Decade -- Where Corporations Got To Write Their Own Rules And The Most Fortunate Among Us Got All Of Our Tax Breaks, And Jobs Got Shipped Overseas...” OBAMA: “We can go back to the ideas we tried in the last decade -- where corporations got to write their own rules and the most fortunate among us got all of our tax breaks, and jobs got shipped overseas, and incomes and wages flat-lined as the cost of everything went up, and this society became less equal, and opportunity was diminished for too many.” (President Barack Obama, [Remarks By The President And The First Lady At A DNC Event](#), New York, NY, 9/20/11)

OBAMA’S RHETORIC ON INSOURCING TAX BREAKS ARE A “FANTASY”

TRUTH: FactCheck.org: “Obama’s ‘Jobs Overseas’ Fantasy, Again” (Brooks Jackson, Lori Robertson, Joe Miller and Viveca Novak “Closing Arguments: Obama,” [FactCheck.org](#), 11/3/08)

FactCheck.org: The Tax Breaks That Obama Is Referring To Have Nothing To Do With Why Companies Ship Jobs Overseas. “Back in 2004 when we criticized John Kerry for using a similar iteration of this claim against President Bush, we pointed out that Christian Weller, a senior fellow at the Democratic-leaning Center for American Progress, had said taxes ‘are a very small part’ of companies’ decisions to move jobs offshore. Those at a 2005 Brookings Institution summit on trade also said taxes had little to do with outsourcing. Joel Slemrod, a tax expert at the University of Michigan’s business school, summed it up by saying: ‘For those who see [offshoring] as a problem, this is not a solution.’” (Justin Bank, “Obama’s Trade Trickery,” [FactCheck.org](#), 9/26/08)

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- **Factcheck.Org: “Eliminating This Incentive Would Have Very Little Effect On U.S. Employment.”** “The claim that the tax code favors locating jobs overseas has been a Democratic mantra since at least 2004, when John Kerry brought it up constantly in his campaign against then-President George W. Bush. It has some truth to it — but not much. As we reported in 2004, eliminating this incentive would have very little effect on U.S. employment.” (Brooks Jackson, “A False Tax Attack,” [FactCheck.org](#), 4/9/10)
- **Factcheck.Org: “As We’ve Been Saying For More Than Four Years Now... Eliminating Them Won’t Do Much To Keep Jobs In The U.S.”** “Obama’s infomercial, and his closing TV ads, continue to harp on the theme of ‘tax breaks for companies that ship jobs overseas,’ which Obama proposes to eliminate. We can’t say whether or not he can deliver on that promise, but as we’ve been saying for more than four years now, (and most recently on Sept. 26) eliminating them won’t do much to keep jobs in the U.S. In a recent exchange of e-mails with us, Eric Toder of the Tax Policy Center concluded that eliminating such tax breaks ‘is a nice political slogan, but will do little or nothing for U.S. employment or incomes.’” (Brooks Jackson, Lori Robertson, Joe Miller and Viveca Novak “Closing Arguments: Obama,” [FactCheck.org](#), 11/3/08)