The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the nomination of Executive Calendar No. 43, Paul Lawrence, of Virginia, to be Deputy Secretary of Veterans Affairs.

John Thune, Mike Crapo, Roger Marshall, Shelley Moore Capito, Tommy Tuberville, Jim Justice, James Lankford, John Barrasso, Markwayne Mullin, Tim Sheehy, Mike Rounds, Todd Young, Kevin Cramer, Ted Budd, Roger F. Wicker, Katie Boyd Britt, David McCormick.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the nomination of Paul Lawrence, of Virginia, to be Deputy Secretary of Veterans Affairs, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The senior assistant legislative clerk called the roll.

The yeas and nays resulted—yeas 53, nays 47, as follows:

[Rollcall Vote No. 154 Ex.]

YEAS—53

Banks	Graham	Moreno
Barrasso	Grassley	Mullin
Blackburn	Hagerty	Murkowski
Boozman	Hawley	Paul
Britt	Hoeven	Ricketts
Budd	Husted	Risch
Capito	Hyde-Smith	Rounds
Cassidy	Johnson	Schmitt
Collins	Justice	Scott (FL)
Cornyn	Kennedy	Scott (SC)
Cotton	Lankford	Sheehy
Cramer	Lee	Sullivan
Crapo	Lummis	Thune
Cruz	Marshall	Tillis
Curtis	McConnell	Tuberville
Daines	McCormick	Wicker
Ernst	Moody	Young
Fischer	Moran	

NAYS—47

Alsobrooks	Hickenlooper	Rosen
Baldwin	Hirono	Sanders
Bennet	Kaine	Schatz
Blumenthal	Kelly	Schiff
Blunt Rochester	Kim	Schumer
Booker	King	Shaheen
Cantwell	Klobuchar	Slotkin
Coons	Luján	Smith
Cortez Masto	Markey	Van Hollen
Duckworth	Merkley	Warner
Durbin	Murphy	Warnock
Fetterman	Murray	Warren
Gallego	Ossoff	Welch
Gillibrand	Padilla	Whitehouse
Hassan	Peters	Wyden
Heinrich	Reed	

The PRESIDING OFFICER. The yeas are 53, the nays are 47.

The motion is agreed to.

The PRESIDING OFFICER. The Senator from Oregon.

PHARMACEUTICAL COMPANIES

Mr. WYDEN. Mr. President, 4 years ago, I kicked off an investigation of Big Pharma's tax practices, the dodges and tricks these hugely profitable, multinational companies use to winnow down their tax bills. This was not very long after Trump's first tax breaks for corporations went into effect. My Democratic colleagues on the Finance Committee and I wanted to know exactly how sweet a deal Trump gave the biggest drug companies and what changes needed to be made to ensure these corporations paid a fair share.

So far, in the course of my investigation, I have released information on the tax practices of five major drug companies: AbbVie, Abbott Laboratories, Amgen, Bristol Myers Squibb, and Merck. The questions that I asked these companies were not very complicated. Essentially, what I asked came down to questions like: How big were your sales? Where did you make them? Where did you report your profits? Where did you stick your intellectual property? Did you actually pay taxes?

Last year, I expanded my investigation with an inquiry to the company Pfizer. Pfizer initially resisted, but my staff and I were not going to let up. Finally, the company provided some answers to our questions.

We are going to get into those issues now, and I ask unanimous consent to enter into the RECORD a memorandum outlining records of my investigation relating to Pfizer's tax-avoidance schemes, which will also be available immediately on the Finance Committee's website.

Mr. President, I ask unanimous consent to have the report printed into the RECORD now.

There being no objections, the material was ordered to be printed in the RECORD, as follows:

MEMORANDUM

Fr: Ron Wyden, Ranking Member, Senate Committee on Finance

Re: Pfizer used ''round-tripping'' scheme to book $0 in U.S. income on 2019 tax returns

EXECUTIVE SUMMARY

An investigation by the Democratic staff of the Senate Finance Committee (''the Committee'') uncovered that after passage of the 2017 Republican tax law, Pfizer carried out potentially the largest tax-avoidance structure in the history of big pharma. Even though Pfizer sold $20 billion in drugs to U.S. customers in 2019, it reported $0 in taxable U.S. profits on its 2019 tax returns by claiming to the IRS that 100 percent of its income was earned offshore. This offshore tax dodge allowed Pfizer to avoid paying billions of dollars in federal income taxes on U.S. drug sales. Pfizer even signed nondisclosure agreements with the governments of Singapore and Puerto Rico on special tax deals arranged with those jurisdictions, to keep the details of how Pfizer avoids billions in taxes hidden from the U.S. Congress.

Pfizer's 2019 cross-border tax avoidance structure is larger than those previously discovered by Senator Wyden's staff investigation, including AbbVie, Amgen and Merck. Pfizer joins a growing list of massively-profitable pharmaceutical corporations that show little-to-zero U.S. profits on tax returns, even though the U.S. is big pharma's largest customer market.[1] Senator Wyden's ongoing investigation fully exposes how big pharma abuses ''round-tripping'' schemes to skirt income taxes on U.S. drug sales as it charges U.S. customers higher drug prices than any other country in the world.

BACKGROUND

The Democratic staff of the Committee is conducting an investigation into the tax practices of large pharmaceutical corporations. This investigation examines how U.S. drug companies use subsidiaries in jurisdictions treated as foreign for tax purposes to avoid paying the 21 percent corporate income tax rate on profits from drug sales to U.S. patients.

As part of this investigation, the Democratic staff of the Committee obtained tax return information from Pfizer, Inc. (''Pfizer'') regarding how much of the company's income was booked in foreign subsidiaries for tax purposes, generally referred to as ''controlled foreign corporations'' (CFCs) in tax parlance.[2] Knowing how much of a company's income is reported by CFCs provides a window into how much of a company's income is reported offshore on tax returns. The data provided by Pfizer exposes the extraordinary extent to which Pfizer shifted taxable income out of the U.S., despite making most of its profits by looting the pocketbooks of U.S. customers.

The 2017 Republican tax law created a new incentive to maximize how much income a U.S. company shifts offshore. After slashing the corporate tax rate by nearly 40 percent, from 35 percent to 21 percent, Republicans went even further to help boost offshore tax avoidance by large corporations. The Republican controlled Congress and first Trump administration created the global intangible low-taxed income (GILTI) system, which cut the tax rate on foreign income down to just 10.5 percent. Thanks to this policy, every dollar that big pharma can shift out of the U.S. gets its tax rate cut in half. In addition to cutting the rate in half, the GILTI system includes other designs—such as the use of ''global blending''—to help large multinationals further minimize their U.S. taxes. These design flaws were detailed by the Committee in 2018 and again in 2021.[3]

PFIZER REPORTED $0 IN U.S. INCOME ON ITS 2019 TAX RETURN

The Democratic Committee staff investigation obtained tax return information from Pfizer revealing that Pfizer booked 100 percent of its income in offshore subsidiaries on its 2019 federal tax filings.[4] That year Pfizer recorded over $21 billion in global income, yet not a single dollar was reported as income earned in the United States for tax purposes.[5]

Pfizer's tax returns expose a massive discrepancy between where Pfizer has its customer base and where the profits from those sales are taxed. Pfizer in 2019 sold more than $20 billion worth of prescription drugs in the United States, accounting for a majority of the company's global sales revenue.[6] The United States is Pfizer's largest customer market, yet Pfizer was able to book every single dollar of the profits from those U.S. sales in foreign subsidiaries. This was not a one off for Pfizer. Pfizer also reported no taxable income in the U.S. in 2018 or 2020.[7] That means that for the three years immediately following the passage of the 2017 Republican tax law, Pfizer did not treat a single dollar of profit as earned in the U.S. for tax purposes.

That Pfizer was able to send all of the profits from U.S. drug sales to subsidiaries in foreign tax jurisdictions exposes the need to end the abuse of ''round-tripping'' strategies by big pharma and other large multinational corporations.

Pfizer's round-tripping scheme is designed to exploit the flawed GILTI system created by the 2017 Republican tax law. By booking 100 percent of its taxable income in foreign subsidiaries, none of Pfizer's income was subject to the U.S. corporate tax rate of 21 percent, but instead the much lower GILTI rate on foreign profits of 10.5 percent created by the Republican tax law. Pfizer could lower its tax rate even further through the use of generous tax incentive agreements with the governments of low-or-zero tax jurisdictions, including Puerto Rico and Singapore, and utilization of flaws in GILTI's design, such as global blending. Pfizer also appears to book large amounts of profits in subsidiaries in Ireland, joining a trend of large multinational U.S. corporations that are exploiting subsidiaries in Ireland to capitalize on heavily favorable tax treatment.[8]

The result of these arrangements is that Pfizer has paid tax rates that are unacceptably low. In 2019 Pfizer paid a tax rate of just 5.4 percent, followed by rates of 5.3 percent, 7.6 percent and 9.6 percent between 2020–2022.[9] In fact, Pfizer pays a lower tax rate than millions of working American families.[10]

PFIZER HIDES SWEETHEART TAX DEALS WITH NDAS

Disturbingly, it appears that Pfizer has signed non-disclosure agreements (NDAs) regarding the terms of its sweetheart tax deals to exempt it from income taxes in Singapore and Puerto Rico.[11] In response to this inquiry, Pfizer stated that it could not provide Senator WYDEN with information about its tax agreement with the government of Singapore because the ''agreements with the government of Singapore contain non-disclosure agreements that prevent Pfizer from disclosing specific information about such agreement.''[12] Pfizer also stated that the ''confidential nature'' of its tax incentives with Puerto Rico and Singapore must be ''protected''.[13]

Senator WYDEN does not believe that sweetheart deals between giant pharmaceutical corporations and foreign governments to send tax revenue offshore instead of to the U.S. should be concealed. The U.S. Congress must not be kept in the dark regarding the extent to which U.S. territories are being used to execute multi-billion-dollar corporate tax shelters. As the U.S. Congress debates major changes to the international tax system, the terms of these tax incentive agreements are essential information.

PFIZER USES ''ROUND-TRIPPING'' STRATEGY THAT IS WIDESPREAD IN PHARMACEUTICAL INDUSTRY

Pfizer is using an egregious tax gimmick known as ''round-tripping.''In a round-tripping strategy, a U.S. company makes sales to U.S. customers, but manages to have the income from those sales treated as foreign for tax purposes. Instead of being subject to the 21 percent corporate tax rate, the income only is subject to the lower 10.5 percent GILTI tax rate, and any resulting tax liability can also be offset by taxes paid to foreign jurisdictions. A round-tripping strategy can be achieved in a multitude of ways, including the use of offshore manufacturing, shifting intellectual property rights to tax havens, aggressive transfer pricing, complex partnership arrangements, and others. Regardless of the specific design, the end result is the same—less income in the U.S. where customers are, more income sent offshore to tax havens.

Pfizer is hardly alone when it comes to exploiting the use of round-tripping to avoid paying taxes by sending profits from U.S. drug sales to overseas subsidiaries. Senator WYDEN's investigation has already uncovered several examples of round-tripping by big pharma.

For example, a 2022 report published by Senator WYDEN exposed how pharma giant AbbVie booked 99 percent of its taxable income offshore to avoid paying billions of dollars in taxes on U.S. prescription drug sales.[14] Despite being headquartered in the U.S. and generating 75 percent of its sales from U.S. patients, only 1 percent of AbbVie's taxable income was subject to the U.S. corporate income tax rate of 21 percent.[15] As a result of this round-tripping structure using subsidiaries in Bermuda, Puerto Rico and elsewhere, virtually all of AbbVie's profits were taxed at the substantially lower GILTI rate of 10.5 percent.

Senator Wyden's investigation also uncovered how Merck used a round-tripping structure to ensure that all of the profits from U.S. sales of blockbuster cancer drug Keytruda would be taxed at the GILTI rate of 10.5 percent.[16] Between 2019 and 2022 Merck sold an astounding $37.1 billion worth of Keytruda in the United States, yet none of the profits generated by those sales were treated as earned in the U.S.[17]

Senator Wyden's investigation also obtained information from Merck indicating that this is because the intellectual property rights for Keytruda are exclusively located in the Netherlands and the drug is manufactured in Ireland. In a response to the Committee, Merck stated that with respect to Keytruda, ''. . . because its patents have always been owned outside the United States, Merck's operating profit attributable to Keytruda IP rights is taxed in jurisdictions outside the United States.''[18] Merck also added that as Keytruda sales increased by 55 percent from 2019 to 2021, Keytruda ''became an even larger portion of Merck's overall profits and [Keytruda's] expansion increased the portion of Merck's overall income subject to tax outside the United States.''[19]

The 2017 Republican tax law makes it very easy to successfully avoid taxes in round-tripping, and shutting off this spigot of abuse is not complex. Policies to help shut down aggressive round-tripping strategies were included in the Wyden-Brown-Warner international tax reform framework released in 2021, and international tax reform policies included in the Build Back Better Act passed by the House in 2021. Republicans are well aware the prevalence of the use of round-tripping by big pharma to avoid billions in U.S. taxes and have expressed an interest in legislative action to curb the abuse of round-tripping—at the time of the writing of this report, it is unknown if big pharma lobbying will prevent such key reforms from being included in any Republican tax plan.[20] Early versions of Republican international tax plans prior to 2017 also included language that would have limited big pharma's ability to use round-tripping, but this language was abandoned during the back-room, lobbyist-influenced process of drafting the 2017 Republican tax law.[21]

PFIZER'S TAX AVOIDANCE STRUCTURE MAY BE THE LARGEST IN THE PHARMACEUTICAL INDUSTRY

Pfizer's 2019 cross-border tax avoidance structure may be the largest in the pharmaceutical industry, and certainly the largest discovered during Senator Wyden's investigation. The previous largest round-tripping scheme exposed by the Committee's investigation was that used by AbbVie in 2020, in which AbbVie booked 99 percent of its $9.5 billion in income in CFCs offshore. Pfizer's 2019 structure dwarfs that: 100 percent of profits show up offshore (the U.S. share was actually a loss, so *more than 100 percent* of profits went offshore), and offshore profits are more than double what AbbVie earned in the same year.

ENDNOTES

1. Interim Report: Big Pharma Tax Avoidance, Senate Finance Committee Chair Ron Wyden, July 2022, available online at https://www.finance.senate.gov/imo/media/doc/Pharma%20Tax%20Report.pdf; American Patients, American Companies, Offshore Profits, Senate Finance Committee Democratic Staff Memorandum, May 11, 2023, available online at https://www.finance.senate.gov/imo/media/doc/pharma__public__release__final__51123.pdf.

2. A Controlled Foreign Corporation (CFC) is a foreign corporation that is majority owned by U.S. shareholders that own at least 10 percent of the foreign corporation.

3. Trump's Tax law and International Tax: More Complexity, Loopholes and Incentives to Ship Jobs Overseas, Senate Committee on Finance, July 18, 2018, available online at https://www.finance.senate.gov/imo/media/doc/Wyden%20Report%20-%20Trumps%20Tax%20Law%20and%20International%20Tax%20071818.pdf. Overhauling International Taxation, Senate Finance Committee Chair Senator Ron Wyden, Senator Sherrod Brown, Senator Mark Warner, April 2021, available online at https://www.finance.senate.gov/imo/media/doc/040121%20Overhauling%20International%20Taxation.pdf.

4. Letter from Pfizer, Inc. to Senator Ron Wyden, Chairman, Senate Committee on finance, Oct. 21, 2024 (At pg. 3, According to 2019 federal income tax return information provided by Pfizer, Pfizer's ''U.S. taxable income excluding income from controlled foreign corporations'' was a loss of $1.29 billion.''). The committee notes that this means that 100% of Pfizer's taxable income was reported by Pfizer's controlled foreign corporations in jurisdictions treated as foreign for tax purposes.

5. Id. at pg. 3, According to 2019 federal income tax return information provided by Pfizer, Pfizer reported $16.94 billion in GILTI Income (line 17 of Form 1120, Schedule C), $1.12 billion Subpart F Income (line 16a, b, and c on Form 1120, Schedule C), $2.65 billion Section 78 Gross Up (line 18 of Form 1120, Schedule C) and $0.57 billion in foreign income exempt from tax (form 8892, Part II, line 4).

6. Pfizer, Inc., 2019 form 10-K, available online at https://s28.q4cdn.com/781576035/files/doc__financials/2019/AR/Pfizer-2019-Financial-Report.pdf.

7. Letter from Pfizer, Inc. to Senator Ron Wyden, Chairman, Senate Committee on finance, Oct. 21, 2024 (At pg. 3, Pfizer reported losses of $7.97 billion, $1.29 billion and $0.62 billion in the U.S. on its 2018, 2019, and 2020 federal income tax returns, respectively). The Committee notes that this means that 100% of Pfizer's taxable income was reported by Pfizer's controlled foreign corporations in jurisdictions treated as foreign for tax purposes those years.

8. This Country Won the Global Tax Game, and is Swimming in Money, Ireland is setting a sovereign wealth fund filled with tax revenue from U.S. tech and pharma companies, The Wall Street Journal, Oct. 10, 2023, available online at https://www.wsj.com/economy/global/this-country-won-the-global-tax-game-and-is-swimming-in-money-57c3c70.

9. Pfizer, Inc., 2022 form 10-K, available online at https://www.sec.gov/Archives/edgar/data/78003/000007800323000024/pfe-20221231.htm (at pg. 35 discussion on effective tax rates); Pfizer, Inc., 2020 form 10-K, available online at https://www.sec.gov/Archives/edgar/data/78003/000007800321000038/pfe-20201231.htm (at pg. 38 discussion on effective tax rates).

10. IRS 2023 marginal tax rates for individuals, 22% for incomes between $44,726 to $95,375 ($89,451 to $190,750 for married couples filing jointly) available online at https://www.irs.gov/filing/federalincome-tax-rates-and-brackets.

11. Pfizer, Inc., 2022 form 10-K, available online at https://www.sec.gov/Archives/edgar/data/78003/000007800323000024/pfe-20221231.htm (At. pg. 69: ''We benefit from Puerto Rican tax incentives pursuant to a grant that expires during 2053. Under such grant, we are partially exempt from income, property and

municipal taxes. In Singapore, we benefit from incentive tax rates effective through 2048 on income from manufacturing and other operations.'').

12. Letter from Pfizer, Inc. to Senator Ron Wyden, Chairman, Senate Committee on finance, Oct. 21, 2024 (At. pg. 6, ''Pfizer understands the Committee's request for information on the specific tax relationship between Pfizer and the governments of Puerto Rico and Singapore in Questions 7 and 8 of your letter, however, the requests implicate confidential arrangements between Pfizer and each jurisdiction, and the applicable agreements contain commercially sensitive information. In particular, the agreements with the government of Singapore contain certain nondisclosure agreements that prevent Pfizer from disclosing specific information about such agreement.''

13. Letter from Pfizer, Inc. to Ron Wyden, Chairman, Senate Committee on Finance, Jun. 17, 2024 (''Pfizer understands the Committee's request for information on the tax relationship between the Company and the governments of Puerto Rico and Singapore; however, the requests implicate confidential arrangements between Pfizer and each jurisdiction. Just as we are concerned about maintaining positive engagement with the Committee, we are also concerned about maintaining positive relationships with the U.S. states and territories in which we operate, including Puerto Rico. To those ends, it is important that the confidential nature of Pfizer's tax incentive arrangements with the governments of Puerto Rico and Singapore are protected.'')

14. Senate Finance Committee Investigation Reveals Extent to Which Pharma Giant AbbVie Exploits Offshore Subsidiaries to Avoid Paying Taxes on U.S. Drug Sales, U.S. Senate Committee on Finance, July 2022, available online at https://www.finance.senate.gov/imo/media/doc/Pharma%20Tax%20Report.pdf.

15. Id.

16. American Companies, Offshore Profits, Senate Finance Committee Democratic Staff Memorandum, May 11, 2023, available online at https://www.finance.senate.gov/imo/media/doc/pharma__public__release__final__51123.pdf.

17. Merck sales of Keytruda in the U.S. according to 10-K filings with the SEC: $6.3 billion in 2019, $8.4 billion in 2020, $9.8 billion in 2021 and $12.7 billion in 2022.

18. Letter from Robert Filippone, Vice President, U.S. Policy and Government Relations, Merck to Ron Wyden, Chairman, Senate Committee on Finance, Apr. 15, 2022 at pg. 3: ''With respect to Keytruda, however, because it was discovered outside the United States and its patents have always been owned outside the United States, Merck's operating profit attributable to Keytruda-related intellectual property rights is taxed in jurisdictions outside the United States.''

19. Id at pg. 4: ''As illustrated on page 53 of Merck's 2021 Form 10-K, Keytruda sales increased 55% from 2019 to 2021. This increase was substantially greater than Merck's overall revenue growth of 24% over the same period. Consequently, Keytruda became an even larger portion ofMerck's overall income subject to tax outside of the United States.''

20. Tax Writers eyeing international tax break used by Pharma, Politico Pro, available online at https://subscriber.politicopro.com/article/2024/11/tax-writers-eyeing-international-tax-break-used-by-pharma-00189546.

21. H.R. 1, introduced by then-Ways and Means Committee chairman Camp in 2014, included the pre-cursor to GILTI and the corollary policy of foreign-derived intangible income (FDII). In this 2014 version, CFC income would have only benefitted from the lower rate if that income was ''foreign-derived,'' i.e., it was ''sold for use, consumption, or disposition outside the United States, or services provided with respect to persons or property located outside the United States.'' Under this definition, big pharma's sales to U.S. customers would not be able to access the lower rate that they are now able to access under GILTI as passed by Republicans in 2017. See sec. 4211 of H.R. 1, the Tax Reform Act of 2014, introduced Dec. 12, 2014. Available online at https://www.congress.gov/bill/113th-congress/house-bill/1/text.

Mr. WYDEN. Mr. President, I am going to take a few minutes to walk through these findings and discuss why they are so important. I am very pleased to be joined by several of my colleagues who are also outraged about this tax-dodging.

Here is the upshot. My investigation has found that Pfizer carried out what could be the largest tax-dodging scheme in the history of Big Pharma.

The United States is the largest market for Pfizer's products. In 2019, the company sold $20 billion worth of drugs to American patients. If you are following along on this discussion, you might be hoping to hear that Pfizer paid a reasonable rate of tax on those profits. I have got bad news for you and the American people.

In that same year, Pfizer reported zero—not one red cent—in taxable U.S. profits. Through various tricks and games, Pfizer was able to shift 100 percent of its U.S. profits to foreign tax havens. This means that Pfizer dodged billions of dollars in Federal income tax on its U.S. drug sales. There is every reason to believe it continues to do so.

Thanks to the tax law Trump and Republicans passed in 2017, Pfizer doesn't need to keep the money stashed overseas. Pfizer can take this cash and pocket it with tax-dodging schemes and turn it into stock buybacks, dividends, executive compensation—the list goes on.

There is an additional matter that is so disturbing. The company appears to be keeping some of its tax schemes hidden from view with what has been described to me as a confidential arrangement with the Governments of Puerto Rico and Singapore. It is enough to leave you slack-jawed.

So this is a Senate investigation that will have a direct impact on tax legislation, and Pfizer is hiding relevant tax information behind nondisclosure agreements.

So colleagues, this is the sixth Big Pharma company where my investigation has found a staggering level of tax dodging. And these rip-offs don't happen by osmosis; they happen because Republicans have allowed them to happen. With the tax law they passed back in 2017, Republicans delivered to Big Pharma a tax break of more than 40 percent. From 2014 to 2016, the industry paid 19.6 percent, on average. In 2019 and 2020, it paid 11.6 percent.

Now, reasonable people watching at home might be thinking about how Republicans always claim to be worried about deficits and debt. Surely those Republicans would dial back what they did in 2017 and ask these huge, profitable corporations to pay a little bit more to ease our fiscal challenges. If you think that is the case—wrong.

So I want to bring my colleagues into this discussion momentarily, and I will close by looking at the big picture as Congress moves forward with this debate on taxes, health, child hunger, and more.

Republicans are in control of the Congress and the White House, and they have locked Democrats out of the discussion. Somewhere here on Capitol Hill, there is a group of Republicans meeting right now, behind closed doors, quietly planning the outline of their gigantic bill. Nobody in that room is talking about how to protect people who work for a living or how to get more fairness in the economy. The discussion they are having comes down to how big the handouts are going to be for billionaires and multinational corporations, how many tens of millions of Americans they are going to kick off Medicaid to pay for it, how many millions of kids are going to go hungry, how many hundreds of thousands of workers are going to lose their jobs.

Republicans are doubling down on a broken system. And if you want to see that system in action, read our report, because you couldn't find a better example than Big Pharma's tax dodging. These are huge corporations that rake in enormous profits in U.S. sales because they charge astronomical prices in America, and then their stables of lawyers and accountants get to work on a whole bunch of fancy financial wizardry, taking advantage of loopholes and rip-offs planted by Republican lawmakers.

Suddenly, the record profits get shipped overseas. Often, the factories get shipped overseas, the jobs get shipped overseas, and the companies aren't paying anything close to a fair share of taxes. Typical Americans who pay taxes out of every paycheck get ripped off.

Republicans are not going to fix this broken, unfair system. In fact, they are gearing up to give tax-dodging corporations like these and their billionaire shareholders even bigger handouts. It is a scam. It is a rip-off on a national scale. The American people see it for what it is.

Senate Democrats are going to keep calling it out, because this must not stand.

So I am very appreciative that my colleagues are joining me here on the floor. We have a very important member of the Senate Finance Committee to start, Senator WHITEHOUSE, and I want to send this over to him.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. WHITEHOUSE. Mr. President, I thank Chairman WYDEN. This is a really important investigation, and it bears very exactly on the Republican tax scam that is being cooked up right now here in this Congress, because one of the keys to the Republican tax scam that is being cooked up right here in this Congress is giving big corporations the ability to move their profits—and even their jobs—offshore, away from America, and get a tax break for doing that. And the total value of this tax break—the award to big corporations from Republicans for moving American jobs and profits offshore—is running at about $140 billion that other taxpayers are going to have to make up.

Big Pharma is the big winner in this offshore tax scam. If you look at Big Pharma's numbers, most sales are to U.S. patients. They sell their pharmaceutical products to Americans. But when you look at their financial reporting, 75 percent of their profits are declared as coming from outside of the United States. So you have some funky math going on here because we know that Americans are charged more for Big Pharma's drugs than people are overseas.

They overcharge Americans, Americans pay the highest prices, and most of the sales are going to Americans who are paying the highest prices. So how is it that, when most of their sales are going to Americans, who are paying the highest prices, that is not where the profits are reported? The profits are reported from overseas, where they have fewer patients paying lower prices. How does that work? That works S-C-A-M, scam. And that is what the Republicans in Congress are trying to push forward into the future.

Thanks to the terrific work of our chairman, we have some specific examples. The Republican tax scam went into effect in 2017. So they had to move pretty quickly. So we are looking at now 2019. How quickly did pharma enjoy the benefit of this tax scam at Americans' expense?

Well, AbbVie is one company. In 2019, it declared three-quarters of its sales to American customers and essentially all of its profits offshore. As pharma does, they charged Americans the highest prices, and they sold 75 percent, nearly, of their drugs to those highly priced American customers, and yet they claimed that all of their money came from the small fraction of their sales that they made at lower prices offshore. Again, S-C-A-M.

Who gets hurt? Well, who gets hurt is American workers because, very often, the jobs go offshore along with the profits. So an American worker loses his job so that an American company can move that job offshore and pay some foreign person for the work that should be here and gets rewarded by Republicans in Congress for a tax break for doing that.

Who else gets hurt? Small businesses get hurt because, if you are running a small business, you can't set up this elaborate tax scam. You don't have the accountants. You don't have the lawyers. You may not even have the nasty motive to try to cheat your own government this way. So small businesses take it in the neck against the big businesses that can dodge their taxes through this complicated scam.

And even some big American domestic companies, like Rhode Island-based CVS, which are all-American companies, which don't fake their profits to be coming from Bermuda or the Cayman Islands or Singapore or wherever else, they suffer too because they are in competition with the big multinationals that are playing shell-and-pea games with their profits to hide it from the IRS.

So here is the racket: One, you overcharge Americans. Two, you use the money that you earn from overcharging Americans to come to Congress and buy massive amounts of influence and get the Republican Party to do exactly what you want. And what you want is stage 3, the tax scam that lets you pretend you are making money offshore when you are really not, and then you save money by not having to pay taxes. And then you keep overcharging Americans, you keep buying Congress, and you keep the tax scam going. It is rinse and repeat, and the big losers are Americans.

Where it comes home is where the chairman did his outstanding work for Pfizer. And $20 billion is what Pfizer sold in drugs in America; $20 billion is what Pfizer sold in drugs overseas. They charged more to Americans because pharma charges more to Americans. We know that. And yet Pfizer told the IRS that all—all—of its profits came from offshore—all of it—and, as a result, they got a huge, huge tax dodge.

So whether it is AbbVie or whether it is Pfizer or whether it is the industry as a whole, we need to shut down this tax racket. It is not serving anyone. It costs American jobs, it is unfair to small businesses, and it cheats the regular taxpayers who pay their taxes honestly and can't pretend that the revenue they made off American customers is somehow magically appearing out of the Cayman Islands or some other foreign hideaway.

I thank Chairman WYDEN for his amazing work.

Mr. WYDEN. Well said, Senator WHITEHOUSE.

And I want to get my colleagues into this. Next in order of appearance is Senator VAN HOLLEN.

Once again, I want everybody to understand that the four of us are going to continue to go after this colossal tax avoidance until it gets fixed, because the American people are getting ripped off.

Senator VAN HOLLEN.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. VAN HOLLEN. Mr. President, I want to thank Senator WYDEN for bringing us together to shine a spotlight on one of the biggest tax heists in American history: the huge 2017 Trump tax giveaway to the very rich and the biggest corporations that came at the expense of everybody else in America because everybody else in America has to pick up the tab for that giveaway to big corporations and the very rich. And that tax heist played out right here on the Senate floor.

So why are we gathered here today to talk about something that happened here 8 years ago? The answer is because it is about to happen all over again. In fact, this time, it may be on steroids. And the American people need to know what will go down right here on the Senate floor in a matter of months if we don't stop it.

So let's take a look at what Donald Trump and Republicans in Congress promised 8 years ago when they passed their big tax giveaway for the rich and then look at what actually happened. They promised that tax cuts to the very rich would trickle down and somehow benefit everybody else in the country. It didn't happen. They promised that it would generate so much new economic activity that it would pay for itself, but that didn't happen. It added $1.5 trillion to our national debt, and if you extend that out another 10 years, that will be another $5.5 trillion on the debt.

They promised that if they gave these benefits to big corporations, like Pfizer and others in the pharmaceutical industry, they would use their tax savings to provide raises of $4,000, on average, to all of their workers. It didn't happen.

I will tell you who did get big bonuses. It was the CEOs and the executives.

And they promised that they would use their savings—that the corporations would use another part of their savings—to reinvest in plants and equipment and, therefore, help the whole economy. It didn't happen. What those big corporations did was use a lot of their tax savings for stock buybacks to jack up the price of their own stock.

This plan that they passed—the Trump tax plan passed 8 years ago—did something else. It provided that mechanism to help some of the biggest corporations in America duck their tax obligations to the American people by shipping their profits overseas and engaging in all sorts of scams, and today we have even more evidence of that fact.

I want to again thank Senator WYDEN and his team on the Senate Finance Committee staff for the report he is presenting today because it is one of several reports he has done to expose how Big Pharma exploits the tax provisions of the 2017 Trump tax giveaway to magically make their profits from selling drugs here in the United States disappear. Somehow, all of those profits made here disappear when it comes time to pay taxes, and that is how they miraculously reduce the amount of taxes they have to pay.

And this report that Senator WYDEN and his team put together shows that this round-tripping scheme is how they do it—''round-tripping'' meaning you make your revenues here in the United

States, at least 50 percent of the revenues in the case of Pfizer sales, but somehow, when it comes time to pay your taxes, you have taken those profits and filtered them through all sorts of overseas schemes and entities to reduce that tax liability dramatically.

What the report shows is that while 50 percent of Pfizer's revenues are generated here in the United States, when it comes to booking its income for tax purposes, they show zero profit on their U.S. operations and, by playing that game, dramatically reduce their overall tax liability.

This was facilitated by the 2017 Trump tax cuts, and it has allowed Pfizer to reduce its tax obligations by billions of dollars, cut its taxes by a whopping 40 percent—a whopping 40 percent—since that Trump tax scam was passed.

And while big corporations win, everyone else loses. You know, American families, they can't use this round-tripping scheme. You can't somehow erase the taxes you owe on the earnings you make by running your earnings through various offshore schemes.

Small businesses in America can't erase their American-based tax profits by using these round-tripping schemes, but the Donald Trump tax scam allows big corporations like Pfizer to do exactly that. By doing that, they have reduced their overall effective tax in the pharmaceutical industry to about 11 percent, far less than the rates paid by most middle-class families in America.

When Big Pharma and big corporations shortchange America on the taxes they pay, they shortchange every citizen of this country. It means they are contributing less to modernize our infrastructure, less for public schools, less for our common defense. They become free riders on everybody else.

So that is why we are here on the floor to blow the whistle. I will just close with this: I have said this before, but I am going to say it again because we are heading toward our big debate here on this issue.

And that is, when on Inauguration Day, just down the hall here, President Trump was sworn in, he talked about a new golden age for America. Come to find out that when he is talking about a golden age, he is talking about a golden age for the people who were sitting right behind him on that platform when he was sworn in: Elon Musk and the billionaires. There are more billionaires in the Trump Cabinet than at any time in American history by far.

And so on the campaign trail, Donald Trump says he wants to go after the elites. On the campaign trail, he says: I am going to look out for the forgotten Americans. Well, I will tell you what: He has forgotten Americans unless they happen to be a big corporation or the head of a big corporation.

This is the big betrayal in action, and we are going to witness this big betrayal in action even more in the coming months here on the Senate floor if we don't stop it.

I want to thank Senator WYDEN and his team for exposing exactly what will happen if we don't stop it.

I yield the floor.

Mr. WYDEN. Mr. President, I thank my colleague. Once again, you can hear his expertise in the Ways and Means Committee and the body on these issues, and I thank him for his leadership.

A new member of the Finance Committee, Senator WELCH, is here and he will have some remarks and then I will wrap up.

Senator WELCH.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. WELCH. Thank you, Senator WYDEN.

Mr. President, when I talk to Vermonters, as I am sure when you talk to Tennesseeans, everyday, hardworking people at the end of the month are struggling to pay their bills. It is expensive.

And people are working really hard, but the cost of things is going up. Taxes are eating into their paychecks, and they don't understand how it is they can work so hard—many families, it is two people working—and they still can't pay their bills.

There is a suspicion among a lot of folks I talk to that there is something wrong, and it is kind of a rigged situation. What we are talking about today proves that the suspicion that Vermonters have about things being rigged, they are right.

The second point I want to make at the outset is this issue, this specific example, provides such clarity that some of the worst things that cause the most suffering and the most economic insecurity are totally legal—totally wrong, by the way, but legal.

What did we find out with the Wyden report? We found that a major U.S. pharmaceutical company was able to make sales of $20 billion of its product in 2019 and report zero income—zero in profits here in this country.

What that ultimately means is that what Pfizer paid for taxes—despite this extraordinary profit, they paid less than the mailroom clerk pays in Social Security. They paid less than the pharmacist at the drugstore who dispenses the prescriptions. They paid less than the delivery drivers who may have brought these prescriptions to a person's home. They paid less than the employees of Pfizer, whether it was a lab technician or a clerk or anyone at that company.

So Vermonters asked me: Wait a minute. How is this $20 billion in sales, extraordinarily profitable company—yet under the legal use of the Tax Code, they are able to report zero? Well, this is where, as much as I condemn Pfizer for manipulating and taking advantage of these legal loopholes, I say the U.S. Senate and the U.S. Congress bears enormous responsibility for allowing this legal loophole to be used.

Pfizer and every profitable company should pay their fair share of taxes. That is all we are talking about. So when Vermonters, at the end of the month, are trying to look at how they are going to pay their bills if their checkbook balance won't cover it, and they think the system is rigged, they are right.

One of the ways for us to unrig it is to attack this legal use of the Tax Code that was passed by this Congress.

Now, this is worse than just the Tax Code because other provisions have made Pfizer so profitable courtesy of the taxpayer. One of their major drugs, Eliquis, $791 million of taxpayer money was used in the research and development of it. Pfizer has that, been immensely profitable, and by the way, it is a good drug. It helps with strokes, but it is a wicked price.

So here in the United States, if you are buying that drug, that costs $7,100. In Canada, it is 900 bucks. In Japan, it is $940; the United Kingdom, $760; in France, $650.

So Vermonters ask me: Wait a minute. Our taxpayer dollars went into helping Pfizer develop that drug, $791 million, and we have to pay six, seven, eight times here in the United States than Pfizer sells it in other countries that are our peers? They think that is wrong, and so do I.

Then you think about the protection that this Congress gives to intellectual property, and rightly so, where that pricing power that goes along with getting a patent is so abused in this country that it inflicts enormous economic hardship on individuals who have to buy it directly, on taxpayers who fund it through Medicare and Medicaid, and on our employers who really care about their employees and they want to provide employer-sponsored healthcare, but those premiums keep going up and up and up because of the pharma prices, and it means the raises are flat. That is not right.

Then you have the fact that for pharma, we have created, as we should, publicly financed healthcare—Medicare, Medicaid—and employer-sponsored. So you have a situation for the pharmaceutical industry, and we are talking specifically now about Pfizer, where they get a guaranteed market: Medicare, Medicaid, employer-sponsored. They get a patent and then abuse the pricing power that goes along with it and stick it to Americans, despite the fact that American taxpayers funded so much of the basic research that went into developing this product they put out on the market. Then they end up with a tax code, courtesy of the U.S. Congress, that allows them to do what no corner drugstore could ever do; basically say that the sales they made weren't really made at the corner in Burlington, VT, they were made at the corner in Singapore.

Oh, and by the way, Pfizer worked out a deal with Singapore to get preferential tax treatment. And when they were asked, What was that agreement, they had a nondisclosure agreement with Singapore to conceal from legitimate investigation about their tax liability, what that deal was.

So this is really shocking. But if any of us wonder why everyday folks who are showing up to do their job in all of their places of employment in your State and mine and then at the end of the month, despite all their hard work, are having trouble paying their utility bill and they just wonder, Is this system rigged, they are right. Exhibit A is what has been exposed in this report by the Senate Finance Committee and Senator WYDEN.

Mr. WYDEN. Senator WELCH, thank you for your leadership. It is great to have you on this committee.

Mr. President, to wrap up, our investigation has found that Pfizer has carried out what could be the largest tax-dodging scheme in the history of Big Pharma. This Big Pharma rip-off is exactly what Republican Senators should be rooting out in their upcoming tax bill.

Instead, it looks like Senate Republicans may lock this outrage in permanently. All Americans who believe in tax fairness should join us in fighting any extension of this tax boondoggle.

I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

UNANIMOUS CONSENT REQUEST—S. RES. 146

Mrs. BLACKBURN. Mr. President, there can be no doubt, Elon Musk is a patriot. He has revolutionized entire industries, whether it is PayPal, Tesla, SpaceX, Neuralink. Across his businesses, there are so many things that he could be working on, but when President Trump asked him to join the administration, he answered that call. He said yes, and he committed himself to serving the American people and helping get this fiscal house in order.

In many ways, he is tackling one of the biggest threats to our Nation's sovereignty, and that is our debt—$36 trillion in debt. He understands that our fiscal path is unsustainable. And today we are spending more money to service our debt than to fund our entire military.

As this debt grows, it will become more and more difficult to fund basic government functions. That is why he is leading the Department of Government Efficiency, trying to rein in reckless spending and to get this country back on the track to fiscal health.

Now, so far DOGE has had a lot of success. In just 2 months, they have identified $130 billion in potential savings by eliminating waste, fraud, and abuse across the Federal Government. They hope that that number—and they fully expect that number—to reach $2 trillion by the time we get to Independence Day next year, which, by the way, will be our 250th birthday.

Every American should be applauding this effort. Our children and grandchildren's future depends on a free America.

But because he has been helping President Trump, he has become a target for the radical left, which has launched a domestic terrorism campaign against his company Tesla. In Las Vegas, suspects set Tesla vehicles on fire with Molotov cocktails; in Oregon, a man shot up a Tesla dealership; and across the country, Tesla owners have had their cars destroyed with arson and vandalism.

Now, some of these Democrat-aligned groups are organizing a "Global Day of Action" on Saturday to target Tesla. The reason for this campaign is simple.

In November, the American people rejected the left's radical agenda. They said: Enough of this. Well, our friends across the aisle have lost the debate, but instead of making a better pitch to voters, they are trying to stop Republicans with violence and intimidation.

The Democrats spent the last 4 years denouncing domestic terrorism and supporting EVs, yet now they are eerily silent. And when they do comment, they celebrate Tesla's setbacks. Tim Walz, Democrats' failed VP candidate, claimed he gets a daily boost from checking on Tesla's stock price, which has declined amid the terrorism campaign.

Democrat ally and late-night host Jimmy Kimmel seemed to endorse the violence, sarcastically telling his audience:

Don't ever vandalize Tesla vehicles.

Last week, Democrat Congresswoman JASMINE CROCKETT said all she wants for her birthday is to "see Elon taken down." This rhetoric is inexcusable. And as the world's greatest legislative body, we should jointly condemn political violence. That is why I am asking for unanimous consent to pass the resolution that condemns the horrific acts of violence, arson, and domestic terrorism committed against Tesla dealerships and facilities. There is no reason why Democrats should oppose this resolution.

Mr. President, as if in legislative session, and notwithstanding rule XXII, I ask unanimous consent the Senate proceed to the consideration of S. Res. 146, which is at the desk; further, I ask that the resolution be agreed to, the preamble be agreed to, and that the motions to reconsider be considered made and laid upon the table with no intervening action or debate.

The PRESIDING OFFICER. Is there objection?

The Senator from Connecticut.

Mr. MURPHY. Mr. President, reserving the right to object. Listen, come on, this resolution is not about violence or domestic terrorism. It just isn't.

This is a resolution that says one thing and one thing only: Elon Musk is in charge. He matters more than anybody else. Musk is subject to a different set of rules than everybody else. The Trump administration serves him, not us. The Republican Party serves him, not us.

Elon Musk, right now, is effectively stealing from the American people. He is combing through our government, awarding himself contracts and canceling contracts for his competitors. He is shutting down Agencies that stand in the way of his business, its growth.

He is giving himself access to secret information about government enforcement actions against his competitors. He is also, at the same time, currently the largest funder of Republican politics in the Nation.

He spent a quarter of a billion dollars backing President Trump's campaign. He recently told the President that he would contribute another $100 million to the President's political arm.

And guess what? At that same time, the President stood on the White House lawn to give a taxpayer-funded commercial for Elon Musk's cars. That is corruption at a scale that we have not seen before in this country: the integration of the Trump White House and the Republican Party and the business interests of the richest man in the world. It is wrong.

Now, this resolution claims to say something about domestic terrorism, but the only terrorism, the only violence it mentions is violence carried out against—you guessed it—Elon Musk.

On an annual basis, there are 11,000 reported incidents of domestic terrorism—11,000. Only a handful of them impact Tesla dealerships, but they are the only acts of violence mentioned in this resolution. And 52 percent of the reported attacks were based on racial or ethnic targeting by radicalized attackers, but they aren't mentioned in this resolution.

Only Elon Musk is mentioned in this resolution because a different set of rules applies to him, because he is in charge and he deserves protection that no one else gets. He deserves a White House TV commercial for his cars. He deserves to give himself contracts and steal from his competitors. He deserves to have his own resolution.

And people are asking why? Why does the richest man in the country get this special treatment? To most people, it feels pretty fishy. It definitely feels wrong.

Now, I hate violence of any kind, whether it is perpetrated against right, left, or center. I have spent my life on this floor fighting violence, but I also hate inconsistency.

So I am going to make my colleague a pretty reasonable offer here. At the same time that President Trump is saying that he is going to vigorously pursue people that attack Tesla dealerships, he is giving pardons to the people who beat the hell out of Capitol Police officers. So I don't think that we should consent to a resolution that says we care about violence but only when it is committed against the business interests of the richest man in the world.

And I have a way to solve that problem. Senator MURRAY has a really simple resolution, a resolution that expresses our disapproval of the pardons