Report: Firms Paid More In CEO Pay Than Taxes

NEW YORK (AP) -- Twenty-five of the 100 largest U.S. corporations paid their chief executives more than they paid the government in federal income taxes last year, according to a report released Wednesday.

The nonprofit Institute for Policy Studies says the 25 CEOs averaged $16.7 million in salary and other 2010 compensation. Most of the companies they ran, meanwhile, came out ahead at tax time, collecting tax refunds that averaged $304 million, according to its review of public filings.

The 25 firms that paid out more in CEO compensation than U.S. taxes reported average global profits of $1.9 billion, the think tank said.

The institute, based in Washington, describes itself as a community of public scholars that works with social movements to promote democracy and challenge corporate influence and military power.

Among the firms it cited are International Paper Co., Prudential Financial Inc., General Electric Co., Verizon Communications Inc., Bank of New York Mellon Corp., Boeing Co., Marsh & McLennan Cos., Stanley Black & Decker Inc., Chesapeake Energy Corp. and eBay Inc.

Companies often pay different amounts in tax expenses than they report in financial statements, however. Actual tax payments do not have to be reported.

Broc Romanek, editor of CompensationStandards.com, a website providing advice to corporate boards, cautioned that the tax data in the report may not be accurate for that reason.

He added: "It's clear that there are still excessive pay practices that are going on."

The report said Boeing paid U.S. federal income taxes of $13 million last year while paying CEO Jim McNerney $13.8 million.

Boeing said it paid far more than that in federal taxes and the $13 million that the institute cited is an accounting figure. It paid $360 million in federal, state and overseas taxes last year, with federal taxes accounting for most of it, according to company spokesman Charles Bickers.

He said that Boeing's 2010 tax bill was reduced by payments to its pensions, state tax incentives for hiring workers and a $371 million credit on prior federal taxes paid after an audit was settled.

"Boeing adheres to the tax rules," Bickers said. "We earn our revenue, record

income and pay taxes here in the United States."

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