

CRONYISM: A LOVE STORY

HOW GOVERNMENT STEALS FROM THE POOR AND GIVES TO THE RICH

WHAT IS CORPORATE WELFARE?



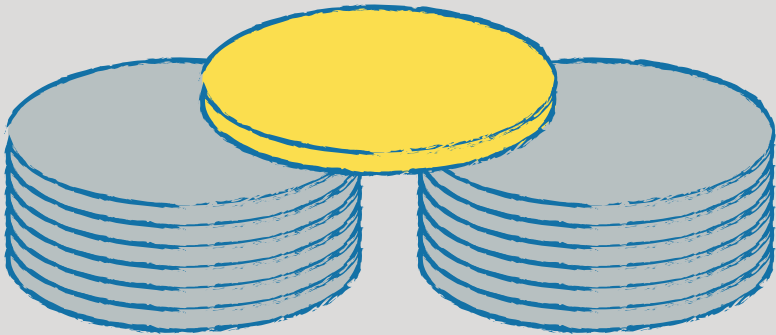
Since 2005, Tennessee governments have spent **\$1.75 billion** on corporate welfare through tax credits and cash handouts.¹

LARGEST CORPORATE WELFARE DEALS SINCE 2005²

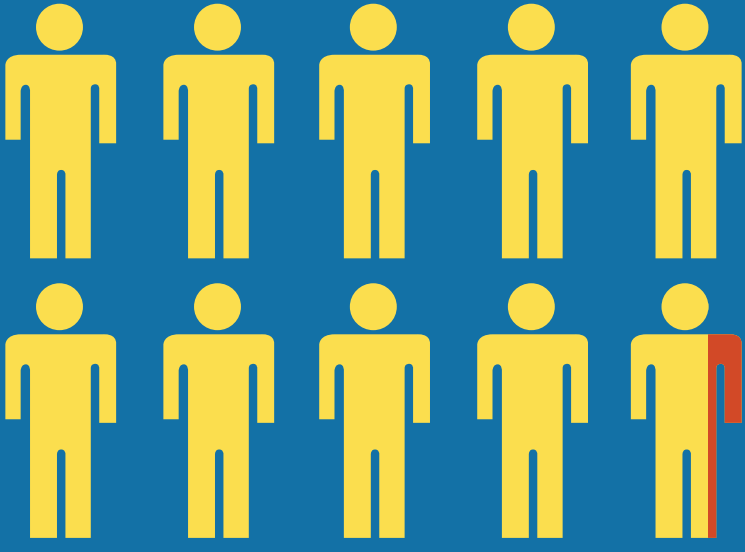
COMPANY	YEAR APPROVED	HANDOUTS	TAX INCENTIVES (present & future)	TOTAL
Nissan	2005	N/A	\$197,000,000	\$197,000,000
Hemlock Semiconductor	2008	\$101,000,000	\$378,400,000	\$479,400,000
Volkswagen	2008	\$338,200,000	\$239,200,000	\$577,400,000
Wacker Chemie	2009	\$6,500,000	\$75,000,000	\$81,500,000
Electrolux	2011	N/A	\$181,800,000	\$181,800,000
HCA	2011	\$14,800,000	\$45,000,000	\$144,800,000
Amazon	2011	\$17,702,400	\$30,000,000	\$47,702,400
				\$1,709,602,400

HEMLOCK RECENTLY CUT 300 JOBS, COSTING TAX PAYERS **\$90 MILLION** THAT THEY WILL NEVER RECOUP³

WITH NEARLY \$100 MILLION LOST, THE STATE COULD HAVE CUT THE BUSINESS INCOME TAX BY 1/2 PERCENT⁴

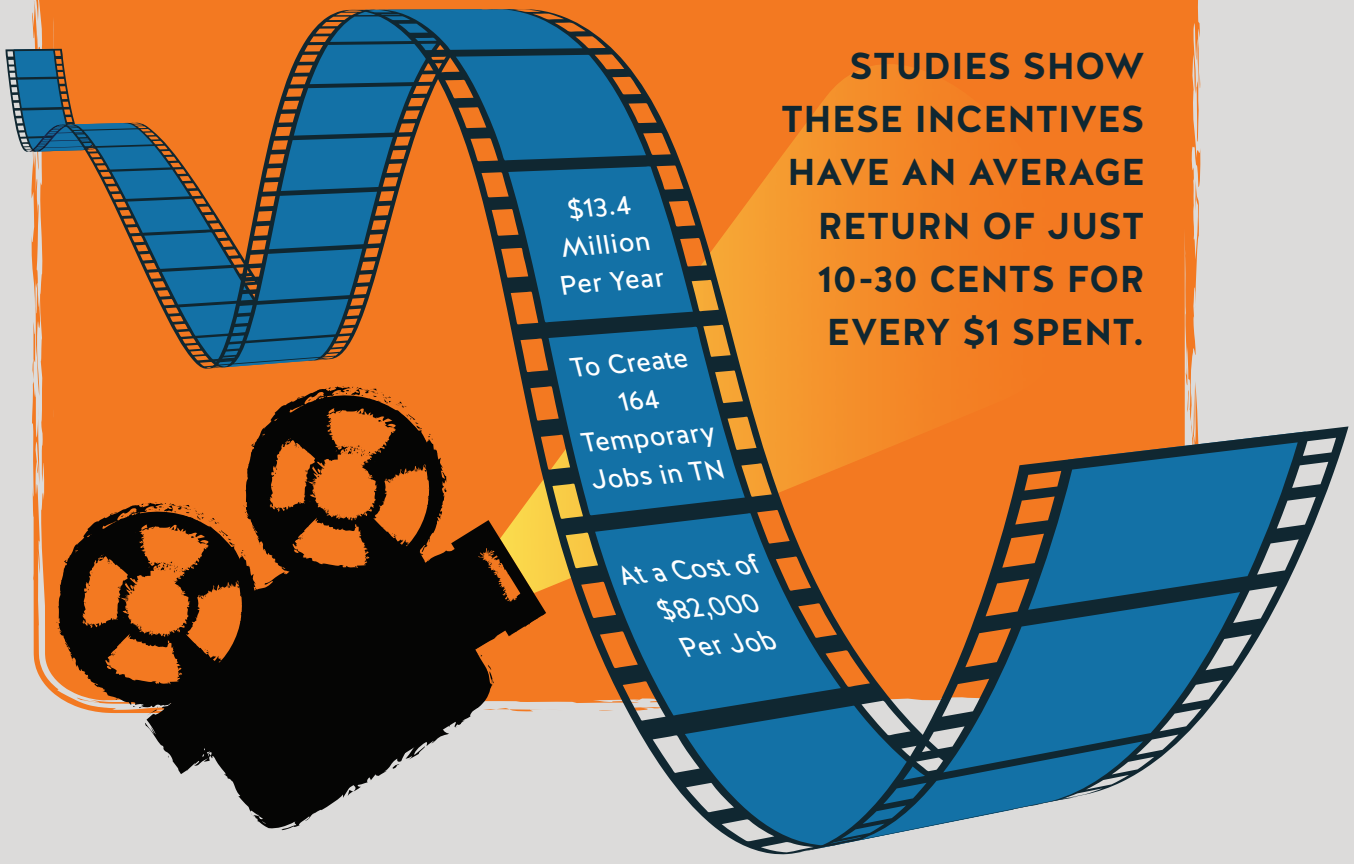


For all 170,000 businesses that pay the tax and who create 98% of all TN jobs⁵



Yet pay the highest per capita corporate tax of all bordering states and the 12th highest in the nation.⁶

THE NEW FAD IS TO DOLE OUT DOLLARS TO HOLLYWOOD⁷



STUDIES SHOW THESE INCENTIVES HAVE AN AVERAGE RETURN OF JUST 10-30 CENTS FOR EVERY \$1 SPENT.

\$13.4 Million Per Year
To Create 164 Temporary Jobs in TN
At a Cost of \$82,000 Per Job

SOME NOTABLE PROFITEERS INCLUDE:⁸



"Larry the Cable Guy"
\$299,747



"Hannah Montana"
\$1.8 MILLION



"Nashville"
\$8.5 MILLION

SOURCES

1 - CALCULATED FROM VARIOUS SOURCES.
2 - <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aOLDOI1BmU5>; <http://www.bizjournals.com/nashville/print-edition/2013/01/18/hemlock-not-only-solar-investment.html?page=all>; <http://www.timesfreepress.com/news/2008/aug/30/chattanooga-vw-incentives-investment-records-state/>; <http://timesfreepress.com/news/2011/may/25/vw-ceo-volkswagen-delivered-new-chattanooga-plant/>; <http://www.timesfreepress.com/news/2008/jul/24/chattanooga-vw-incentives-largest-state/?print>; <http://www.timesfreepress.com/news/2009/feb/28/wacker-chemical-finds-new-home/>; <http://www.commercialappeal.com/news/2011/sep/18/electrolux-project-high-price-big-risks-memphis/>; <http://www.bizjournals.com/nashville/blog/commerce-street/2012/09/hca-parallon-sarah-cannon-tennessee-jobs.html?page=all>; <http://www.nashvillescene.com/nashville/the-messy-truth-behind-amazons-tennessee-tax-tradeoff/content?oid=2450389>
3 - <http://www.bizjournals.com/nashville/print-edition/2013/01/18/hemlock-not-only-solar-investment.html?page=all>
4 - FISCAL NOTE FOR HB64 (2013)
5 - TN DEPARTMENT OF REVENUE; <http://www.gallatinnews.com/news/2038-hagerty-appoints-mudd-regional-economic-director>
6 - <http://taxfoundation.org/article/state-corporate-income-tax-collections-capita-fiscal-years-2007-2011>
7 - TENNESSEE STATE BUDGET: 2013-2014, P. B-371; <http://taxfoundation.org/sites/taxfoundation.org/files/docs/sr199.pdf>
8 - <http://www.scribd.com/doc/116186176/Tennessee-Economic-And-Community-Development-Report-On-Film-Subsidies>