

Exhibit F



How Much Is All This Offshore Tax Dodging Costing Us?



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Photo: Getty

The Panama Papers offer a good opportunity to say: Hey, how much is all this offshore tax haven bullshit costing the American public. According to one estimate: a shitload, of money.

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[Here is where we disclose that Gawker Media uses offshore tax shelters.]

The American Economic Association today points to a 2014 research paper that made a reasonable stab at quantifying the full cost of tax revenue lost from individuals and companies using offshore tax havens. Of course only NERDS wanted to read this stuff in 2014, but now that it's COOL to care about offshore tax havens maybe COOL people like you will want to check it out, also? Hm?

The paper, by Gabriel Zucman, found that a full 8% of global wealth is held offshore. Here is what that means for the U.S. Treasury, via the AEA:

The nominal corporate tax rate has been 35% since 1993, but the proportion of U.S. corporate profits actually collected by the IRS (the effective tax rate) has never reached even 30% in the years since that change and in 2013 stood around 16%. This discrepancy can't be blamed entirely on offshore tax havens – some is attributable to other tax breaks like deductions for manufacturing income or writeoffs for capital losses during the Great Recession – but Zucman estimates that offshore tax schemes are responsible for about two-thirds of the decline in the effective tax rate since 1998, representing a loss of over \$100 billion for the U.S. treasury in 2013.

That is roughly the combined budgets of the U.S. Department of Justice and the U.S. Department of Education.

[*The full paper.*]

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