

SCHWEIKERT then said:

Anyone that says current policy baseline [is the right way to go] is engaging in intellectual and economic fraud . . . it's intellectually lazy. My basic mission in life is just to try to create some honest math.

Honest math is what Democrats and Republicans together said they were pursuing in 1974—House and Senate together—honest math. Honest math is on the verge of destruction.

CHIP ROY of Texas said this plan—referring to the plan—“This is fairy dust, and they're full of crap. And I'm gonna call them out on it.”

Anyone who cares about growing deficits and growing debt should call them out on it—\$37 trillion in this Republican plan of additional debt and then adopting a gimmick to tell the American people and this Chamber it costs zero.

In the free market, businesses need transparency—transparency so investors can decide if things are going in the right direction, so the board of directors of a company can change direction. They know that they have to have integrity in their numbers. They know that it is important for their board of directors. They also know that it is important for those who buy their stock, the investors. Without honest numbers, they can't make good decisions about where they are going.

The same is true for us in government. If we are not willing to use honest numbers, we can't make good decisions about how we go forward. It is that important. Integrity and honesty in our numbers are that important.

That is the debate we need to have, an honest examination. Are you for or against a plan that will add \$37 trillion to the debt on top of what additions might otherwise happen under current law? That is the question we will be facing.

This idea of integrity in the numbers existed before the 1974 Budget Control Act, but it was so important to have outside numbers that people could rely on—independent numbers, bipartisan numbers or nonpartisan numbers—that they created a whole Agency, the Congressional Budget Office, to produce those numbers. It is that essential, so you don't have some think tank giving you pretend numbers from the right or some other think tank giving you pretend numbers from the left. It is that important.

You know, this plan, this Republican plan, is like a landlord saying: Don't worry. Your rent is free over the next 30 years because we are not making any changes to your tenant contract.

What a farce because you know you have to keep paying that rent every single month.

So there is \$37 trillion of additional debt being hidden through a gimmick.

I pointed out this enormous addition to the debt, but what is the purpose? It is to give tax giveaways to the richest Americans. Sixty percent of the additional debt goes to the richest 10 percent in America. Half of that addi-

tional debt, \$37 trillion, half of it goes to the richest 5 percent of Americans. So they are not just running up \$37 trillion in additional debt; they are running up \$37 trillion in additional debt to give the vast majority to the already richest Americans. This is a straightforward, simple provision in which families lose and billionaires win.

They are going to attack the spending on Medicaid. That is health insurance that a good third of America, approximately, relies on, that veterans rely on, programs that those with disabilities rely on. They are going to attack that program for tax giveaways to the richest Americans. They are going to steal from Social Security and make it dysfunctional—already, the lines are starting to pile up, and the phones aren't answered—in order to give tax breaks to the richest Americans. They are going to betray working families with a tax on healthcare, housing, and education. Why? To give massive tax breaks to the richest Americans.

The situation is clear: Families lose, and billionaires win.

Democrats are paying attention. My colleagues the Republicans need to pay attention. They said when they were running that they are for fiscal responsibility, that they are for decreasing the deficit, but, in fact, their plan increases the deficits massively—an additional \$4 trillion over the next 2 years and an additional \$37 trillion in debt over the next 30 years—to give tax breaks to the wealthiest Americans while slashing programs that help ordinary working families to thrive.

This is a vast betrayal of Trump's campaign plan. He campaigned on being a champion for families. But that was a campaign. Now he is in office, and the real plan? Families lose; billionaires win.

We must reject this gimmick that destroys the integrity of the budgeting process. One pillar—a filibuster-free pathway for deficit reduction—was destroyed by my Republican colleagues in 1996. The second pillar—integrity in numbers using an outside, independent CBO to give us honest numbers to work with here and for the American people—is going to be destroyed under current policy baseline being proposed right now.

Be awake, pay attention, and say hell no to this massive fraud on the American people.

The PRESIDING OFFICER. The Senator from North Dakota.

#### WAIVING QUORUM CALL

Mr. HOEVEN. Mr. President, I ask unanimous consent to waive the mandatory quorum call with respect to the Lawrence nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will read the title of the joint resolution for the third time.

The joint resolution was ordered to be engrossed for a third reading and was read the third time.

#### VOTE ON S.J. RES. 18

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall the joint resolution pass?

Mr. BARRASSO. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 52, nays 48, as follows:

[Rollcall Vote No. 153 Leg.]

#### YEAS—52

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

#### NAYS—48

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

The joint resolution (S.J. Res. 18) was passed as follows:

#### S.J. RES. 18

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress disapproves the final rule submitted by the Bureau of Consumer Financial Protection relating to “Overdraft Lending: Very Large Financial Institutions” (89 Fed. Reg. 106768 (December 30, 2024)), and such rule shall have no force or effect.*

#### EXECUTIVE SESSION

#### EXECUTIVE CALENDAR

The PRESIDING OFFICER (Mr. HAGERTY). Under the previous order, the Senate will proceed to executive session and resume consideration of the following nomination, which the clerk will report.

The senior assistant legislative clerk read the nomination of Paul Lawrence, of Virginia, to be Deputy Secretary of Veterans Affairs.

#### CLOTURE MOTION

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

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	Wyden
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	Lujan	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.<sup>1</sup> 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.<sup>2</sup> 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.<sup>3</sup>

# 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.<sup>4</sup> 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.<sup>5</sup>

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.<sup>6</sup> 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.<sup>7</sup> 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