

# Exxon Says It Does Pay U.S. Income Taxes



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Recently we published the story "[What the Top U.S. Companies Pay In Taxes](#)," and a related blog post, "[Big Oil's Tax Bill](#)." What's received the most attention from readers and bloggers was our assertion that ExxonMobil, despite recording more than \$15 billion in income taxes, "paid none of its 2009 income taxes in the U.S."

Although I came up with that by reading the company's annual 10-k filing with the SEC, ExxonMobil spokesman Alan Jeffers assures me that this is wrong, that Exxon did indeed pay substantial income taxes to the U.S. Treasury in 2009, and that it overpaid taxes in 2008. How much? Well, Jeffers says so far he's not at liberty to disclose that information. "That's not something we're required to disclose, nor do we."

So what gives? Jeffers explains that what ExxonMobil reports in its annual consolidated financial statements is just accounting, that the numbers reflect expenses or credits recorded throughout the year and "do not represent our tax bill," which has not yet been filed, let alone settled. The financial results listed in the 10-k "is an accurate reflection of what it is, but not what you thought it was," says Jeffers.

What the financial statement says is that ExxonMobil, in 2009, after a handful of deferrals, recorded a total U.S. income tax benefit (i.e., a refund) of \$46 million. Next to this, it shows total non-U.S. income taxes of \$15.165 billion.

My mistake was in thinking that these figures somehow reflected actual tax benefits and liabilities. So what we should have written was that ExxonMobil "recorded" no U.S. income taxes for 2009 instead of "paid." All you re-bloggers out there, please note the clarification. Mea culpa.

And for all you commenters outraged that Exxon isn't paying taxes in the U.S., don't worry, it is. Our article only focused on income taxes, but it's worth noting that the 10-k also records \$7.7 billion in other taxes in the U.S. (like sales taxes) and more than \$50 billion of other taxes and duties paid (I mean recorded) overseas.

There's a lingering issue here. If Exxon's income tax line items don't mean what they say, then what does that imply about other important stuff? Are "earnings after income taxes," really \$19.28 billion? Are earnings per share really \$3.99? Does it all wash out? We've asked Exxon to explain and will let you know what they say.