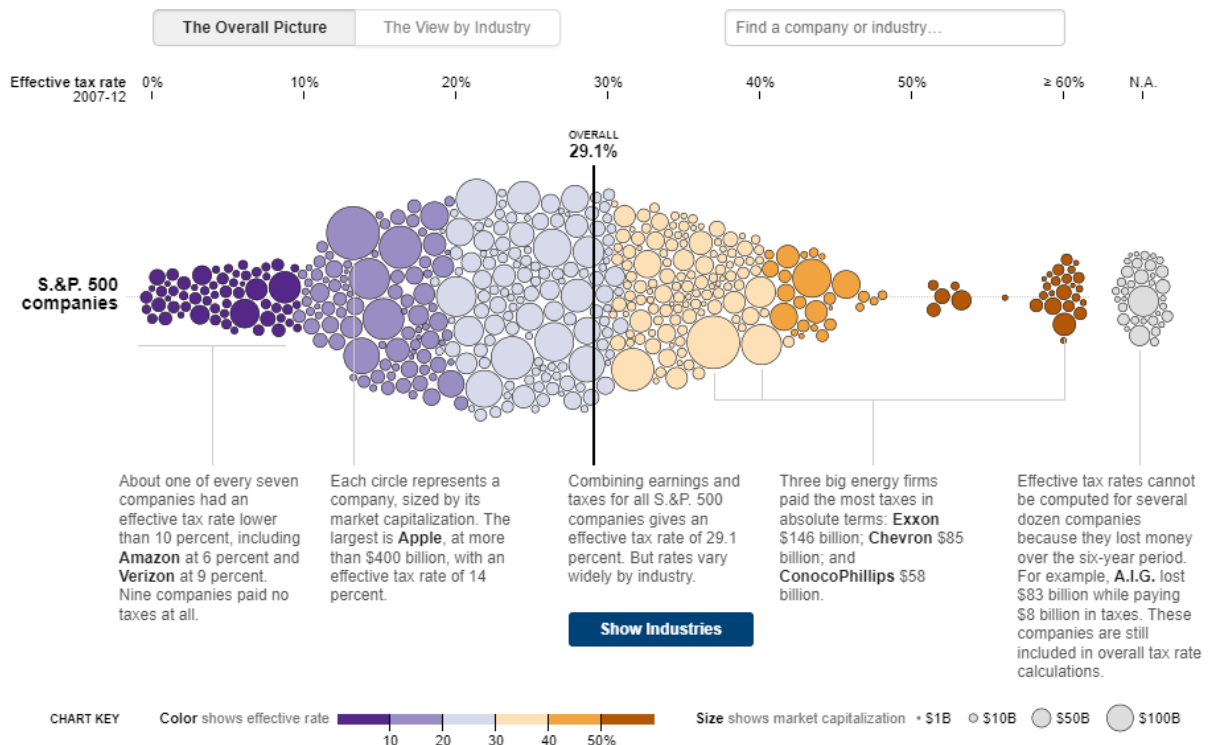


Unit 1 Case Study - Exploring corporate tax rate variation in the USA →

For the case study we was asked to look at the following link in [The New York Times](#). And it shows the following visual.



We were then asked the following questions for the case study.

1. Variation of corporate tax. – The colours show the variation in taxes, as shown by the useful legend index at the bottom. Purple shows the lower effective tax rate (0-10%), whilst red shows the higher effective tax rate (50-60%)
2. What types of companies pay less tax and high tax? – On the site you can split the visual from 'Overall Picture' to 'View by industry'. We can see that Utilities pay 12% tax overall due to a "2009 Stimulus Bill" involving tax breaks. The industry for Insurance paid an high average tax rate, due to A.I.G paying "\$8 Million in taxes" driving up the average 51% figure.
3. What types of companies pay less tax and high tax? – As mentioned previously, tax breaks for utility companies help firms pay less tax. Other regulations for certain sector enables companies to pay less tax.
4. Any interesting discoveries?– The biggest company in the S&P500 is Apple with a earning exceeding \$135billion, but they pay a relatively low tax rate at 14%