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Tax reform closes corporate loopholes, group says

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WASHINGTON — The number of large profitable corporations that manage to avoid paying federal income tax dropped from 50 to 7 since passage of the 1986 tax overhaul, a labor-backed group said today.

"Tax reform is working," Robert S. McIntyre, executive director of Citizens for Tax Justice, said in releasing his

group's report. "Not only has reform permitted more efficient and freer decision-making, but corporate profits have risen at a much faster rate in the years after tax reform than in the years before."

The average tax rate paid by the nation's 250 biggest money-making companies climbed last year to 26.5 percent, compared with 14.3 percent during 1981-1985, the group reported.

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