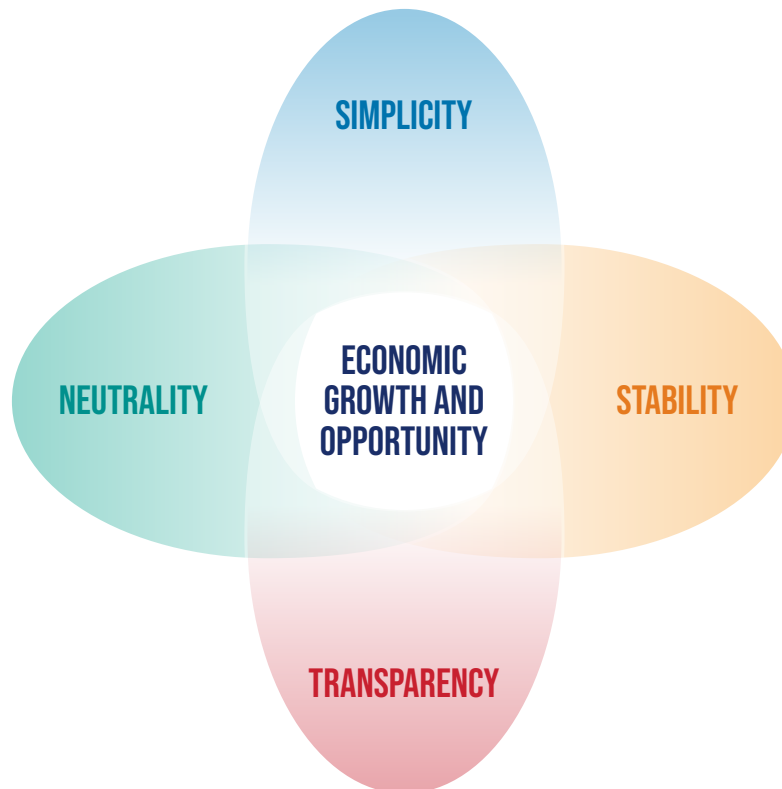




2020
ANNUAL
REPORT

OUR VISION IS A WORLD WHERE THE TAX CODE DOESN'T STAND IN THE WAY OF SUCCESS

OUR PRINCIPLES OF SOUND TAX POLICY



SIMPLICITY

Tax codes should be easy for taxpayers to comply with and for governments to administer and enforce.

NEUTRALITY

Taxes should neither encourage nor discourage personal or business decisions. The purpose of taxes is to raise needed revenue, not to favor or punish specific industries, activities, and products. Minimizing tax preferences broadens the tax base, so that the government can raise sufficient revenue with lower rates.

STABILITY

Taxpayers deserve consistency and predictability in the tax code. Governments should avoid enacting temporary tax laws, including tax holidays, amnesties, and retroactive changes, and strive to establish stable revenue sources.

TRANSPARENCY

Tax policies should clearly and plainly define what taxpayers must pay and when they must pay it. Hiding tax burdens in complex structures should be avoided. Additionally, any changes to the tax code should be made with careful consideration, input, and open hearings.

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LETTER FROM THE PRESIDENT

2020 was an interesting year, wasn't it? Here at Tax Foundation, we started with an ambitious agenda of publications, analysis projects, Model upgrades, and development goals—and then COVID-19 came to America.

When a national emergency was declared, just like you, we read, saw, and heard the fear and uncertainty around proposed economic policy remedies to counteract the damage of state and local lockdowns.

As an organization, we decided to exhaust every dime in the coffers before a single layoff or downsize would even be considered. Our people make Tax Foundation what it is today and they were (and still are) needed now more than ever.

Tax Foundation is typically moved to action by a need for astute and leveled analysis. In this case, we also saw a need for peace of mind. Launching our online COVID-19 Resource Center to produce daily analysis of the proposals was a natural and much-needed response.

In April, we published *Tax Policy After Coronavirus: Clearing a Path to Economic Recovery*, a reform guide to help lawmakers avoid implementing economically harmful taxes. In total, our COVID-19 work was

viewed on our website more than 4.6 million times in 2020. Our recommendations have been embraced by federal and state policymakers and used in legislative discussions, policy briefs, and bills.

Despite the added workload keeping up with pandemic proposals, we still met each original 2020 productivity goal with the quality, detail, and accuracy Tax Foundation is known for.

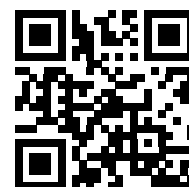
Spending and fiscal policy were at the center of 2020's presidential election, and Tax Foundation pushed each tax policy proposal through the Taxes and Growth (2.0) General Equilibrium Model to simulate the effects on our economy, revenues, and budgets. We were the only think tank ready, willing, and able to produce nonpartisan analysis and commentary on every candidate's tax plans.

As you review our achievements from the past year, I hope you will remember the role you had in it all. The generous support of our investors gave tremendous stability in a very uncertain time, and for that we are all grateful.



FIND OUT MORE WAYS TO SUPPORT THE TAX FOUNDATION

We would cease to exist without our people and, as a nonprofit, that includes our donors. If you would like to support the best and brightest minds working behind the scenes, simply hold your smartphone camera over this QR code.

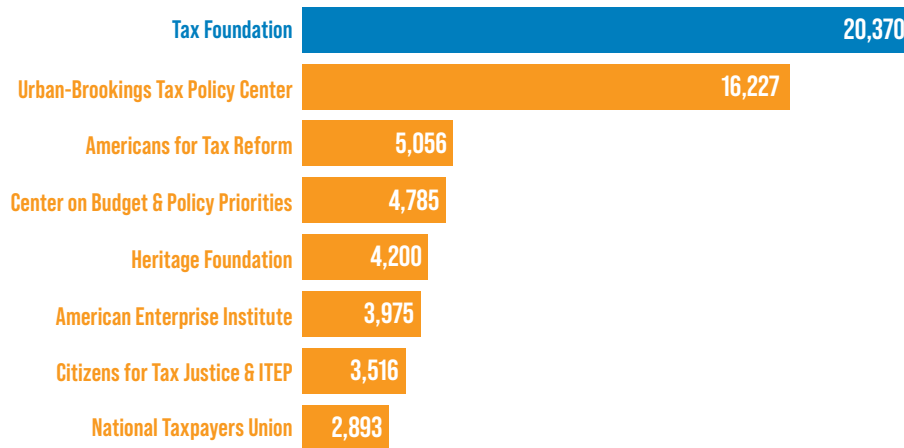


2020 WAS OUR BIGGEST YEAR YET

IN THE MEDIA

One of our greatest marketing strengths is our outsized media presence, both in the U.S. and abroad. Despite the fluid news cycle in 2020, we continued to be the leading tax resource for journalists at the federal, state, and international levels, once again outperforming our main competitors in terms of media citations in some of the nation's most respected outlets.

TOTAL MEDIA CITATIONS ON TAX POLICY, 2020



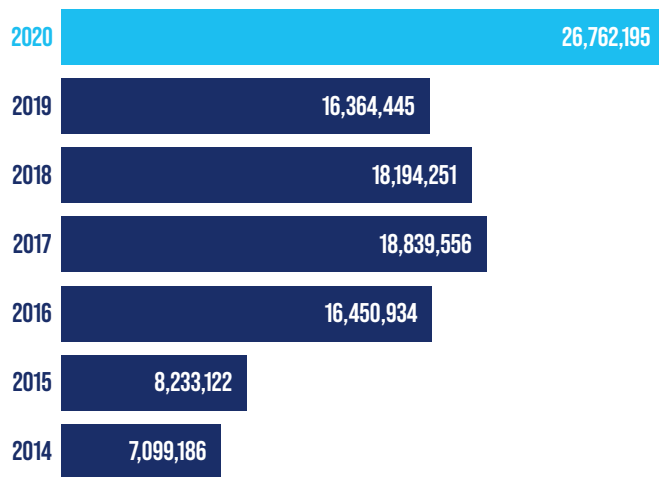
CITED IN



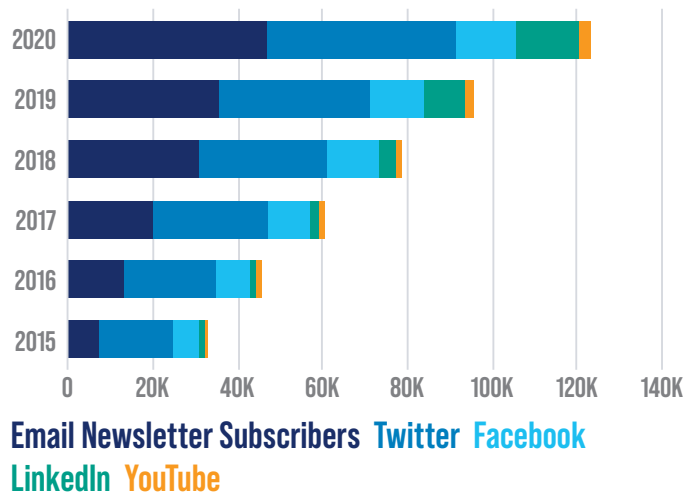
ON THE WEB

In 2020, our website traffic totaled 26.7 million pageviews. That’s more than the number of people that visit all of the Smithsonian museums in the U.S. each year.

TOTAL WEBSITE PAGEVIEWS BY YEAR



TOTAL SUBSCRIBERS ACROSS EMAIL AND SOCIAL MEDIA

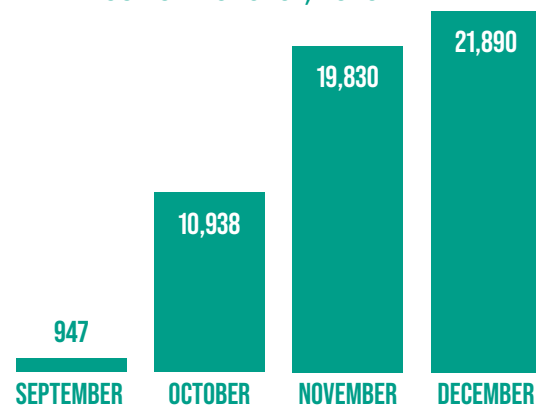


MORE EDUCATIONAL RESOURCES

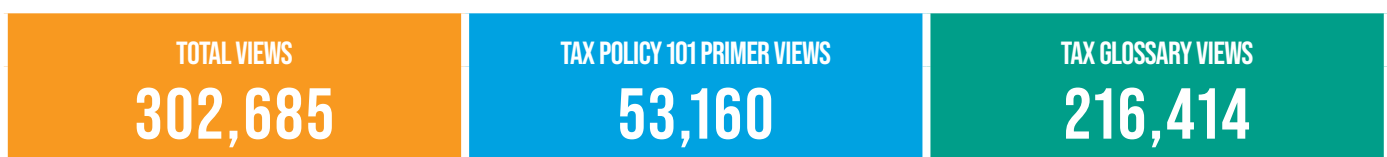
In 2020, we launched TaxEDU, a new educational program aimed at helping teach tax concepts to college and high school students, legislative staffers, and taxpayers across the country.

We also launched our new podcast, The Deduction, which features special guests as well as our own tax policy experts, and explores issues such as transportation funding and federal and state tax trends through a more accessible, conversational digital format.

TOTAL CUMULATIVE DOWNLOADS, THE DEDUCTION PODCAST, 2020



TOTAL TaxEDU ONLINE VIEWS, AUGUST LAUNCH THROUGH DECEMBER



TAX FOUNDATION'S COVID-19 RESPONSE TIMELINE

FRIDAY,
MARCH 13TH

**NATIONAL
EMERGENCY
DECLARED**

FRIDAY,
MARCH 27TH

**CARES ACT
SIGNED INTO
LAW**

MONDAY,
MARCH 9TH

Executive team met to discuss the possibility of remote work for the full staff.

WEDNESDAY,
MARCH 18TH

**TAX FOUNDATION
LAUNCHES ITS COVID-19
RESOURCE CENTER**

150+ Pieces of Analysis
119,256 Online Views

FRIDAY,
MARCH 20TH

Detailed analysis of CARES Act published.

TUESDAY,
MARCH 31ST

**CARES ACT FAQ
LAUNCHED**

807,898 Online Views
2,405 Social Shares
1,323 Media Citations

THURSDAY,
MARCH 12TH

Work from home trial run.

MONDAY,
MARCH 16TH

First Remote Work Day

THURSDAY,
MARCH 19TH

**STATE-BY-STATE &
COUNTRY-BY-COUNTRY
COVID-19 RESPONSE
ONLINE TRACKERS
LAUNCHED**

358,027 Online Views 3,420
Social Shares

MONDAY,
MARCH 30TH

**INTERACTIVE
UNEMPLOYMENT
BENEFITS CLAIMS
TRACKER
LAUNCHED**

124,882 Online Views 1,323
Media Citations

THURSDAY,
APRIL 2ND

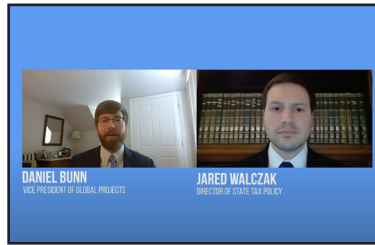
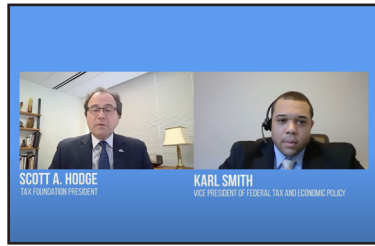
**PAYCHECK
PROTECTION
PROGRAM (PPP)
EXPLAINER
PUBLISHED**

390,185 Online Views 3,356
Social Shares

WEDNESDAY,
APRIL 8TH
**TAX FOUNDATION
LAUNCHES FIVE PART
ONLINE EVENT SERIES
ON COVID-19 RESPONSE**

RECORDING VIEWS
2,798

ATTENDEES
1,142



MONDAY,
DEC 21ST
**CONSOLIDATED
APPROPRIATIONS
ACT OF 2021
EXPLAINER**

283,584 Online Views
1,322 Social Shares

WEDNESDAY,
APRIL 22ND
**OPTIONS FOR
ECONOMIC
RECOVERY GUIDE**

19,281 Online Views

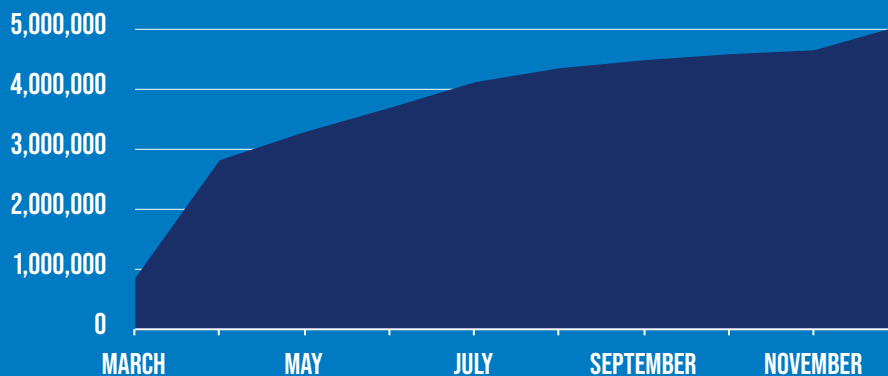
MONDAY,
JULY 27TH
**SENATE
REPUBLICANS
INTRODUCE HEALS
ACT FOR ADDITIONAL
RELIEF**

110,552 Online Views
190 Media Citations

MONDAY,
DECEMBER 14TH
**FIRST TO RELEASE DETAILED
ANALYSIS OF STATE AND
LOCAL AID PACKAGE**

108 Media Citations

**CUMULATIVE WEB TRAFFIC TO
COVID-19 TAX RESOURCES**



THURSDAY,
NOVEMBER 19TH
**FULLY REMOTE
TAX PROM**

CENTER FOR STATE TAX POLICY

Tax Foundation's State Team found ways to still have a big impact in 2020 on key tax issues in spite of the curtailed ability to travel and meet with legislators and stakeholders.

OUR WORK WAS INSTRUMENTAL IN:

- **Many states adopting temporary freezes of their unemployment insurance tax systems.**
- **Education efforts surrounding the economic costs of the Illinois graduated rate income tax amendment and California proposition 15, both of which were rejected by voters in november.**

TAX POLICY AND THE PANDEMIC

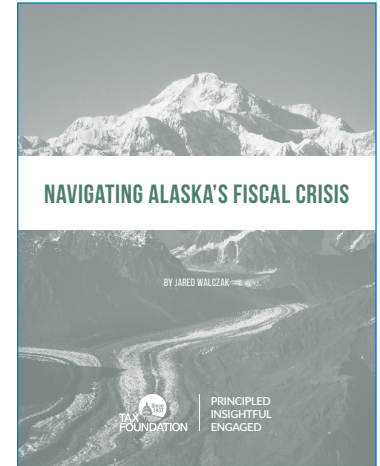
As governments at all levels grappled with the uncertainty and consequences of a pandemic, the Center for State Tax Policy was there each step of the way, helping lawmakers make informed decisions about tax policy.

We were among the first to sound the alarm on unemployment compensation systems.

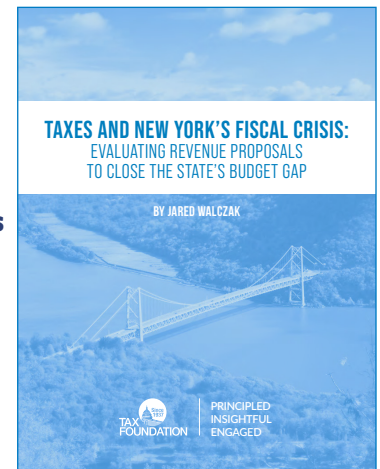
Our analysis of state revenue impacts was crucial for lawmakers on Capitol Hill resisting unnecessary trillion-dollar giveaways to state and local governments.

Additionally, our research on conformity to federal tax changes, like the treatment of forgiven PPP loans or more generous net operating loss provisions, has helped shape the policy response in state capitals.

We released comprehensive policy reform books in both Alaska and New York.



Our analysis highlighted the pitfalls of novel taxes on unrealized gains, stock transfers, data, and more, demonstrating how they would undercut New York's recovery.



VIRTUAL PRESENTATIONS

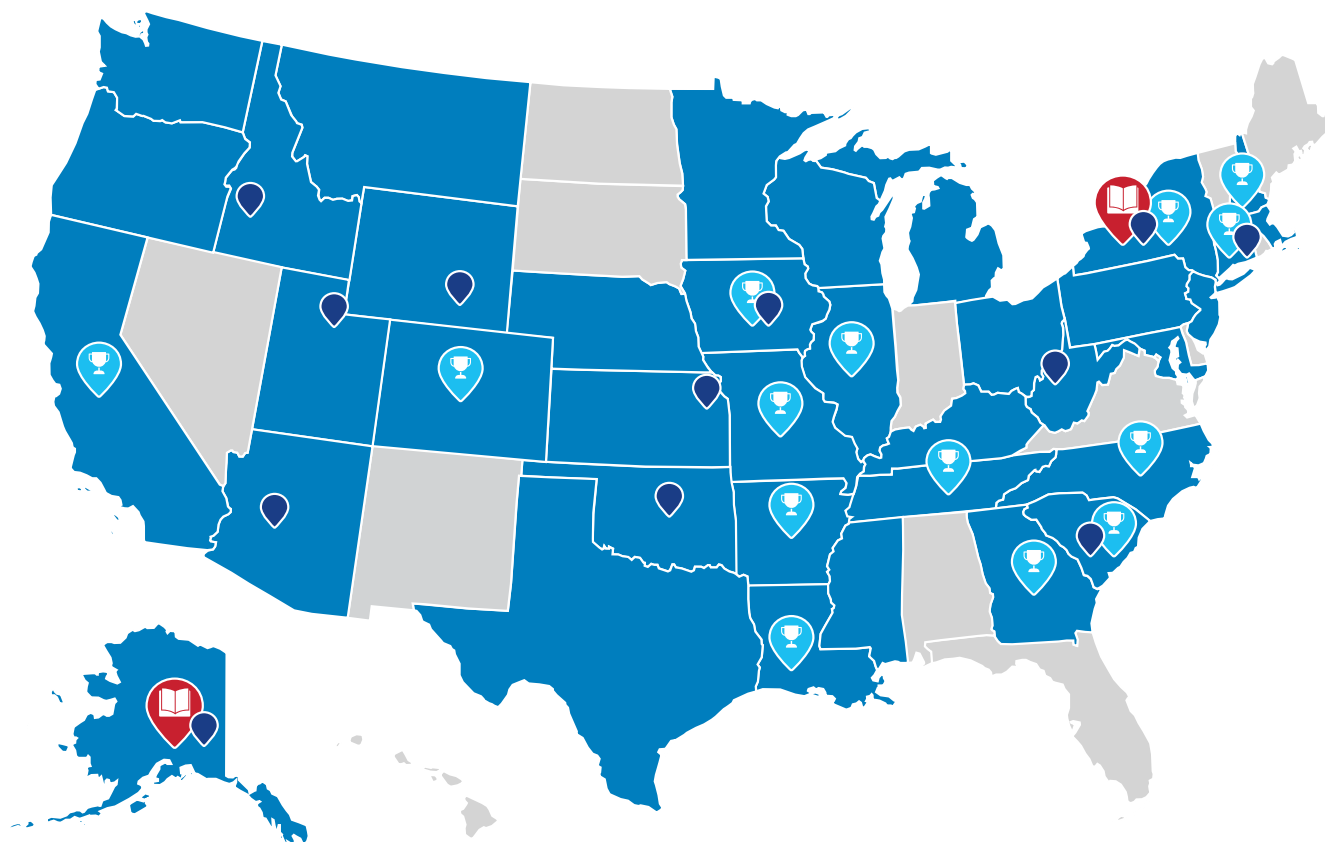
23 STATES

SOCIAL MEDIA IMPRESSIONS

10,796,838

MEDIA CITATIONS

8,455



TAX POLICY, REMOTE WORK, AND THE FUTURE

Remote work is here to stay, but state tax codes aren't ready. Six states have so-called "convenience rules" which can lead to the double-taxation of remote work. (The count had been seven, but Tax Foundation's Center for State Tax Policy's research helped persuade lawmakers in one state to repeal their overreaching provision.)

State income taxes often have implausibly low filing and withholding thresholds that are incompatible with greater mobility. In many states, the presence of even one teleworking employee can expose an employer to substantial additional corporate tax liability.

Our analysis jump-started an important discussion on how to modernize state tax codes for a more remote work-friendly future.

MAP KEY

-  Pro Growth State Tax Policy Enacted in 2020
-  Comprehensive Reform Book Released
-  Meeting with Governor's Office

INCREASE IN WEB TRAFFIC FROM 2019 TO 2020

56%

ONLINE VIEWS OF ANALYSIS

5,839,834

CENTER FOR FEDERAL TAX POLICY

THE 2020 PRESIDENTIAL ELECTION

During the presidential primaries, the Center for Federal Tax Policy produced estimates of the revenue and economic impacts of the candidates' plans, including the novel wealth taxes proposed by Sens. Bernie Sanders (I-VT) and Elizabeth Warren (D-MA). These plans were highly scrutinized, and people looked to the Tax Foundation's estimates for clarity and understanding.

ANALYSIS OF BIDEN'S CAMPAIGN TAX PLANS TOTAL PAGEVIEWS

4,126,978

ANALYSIS OF ALL PRESIDENTIAL TAX PLANS TOTAL PAGEVIEWS

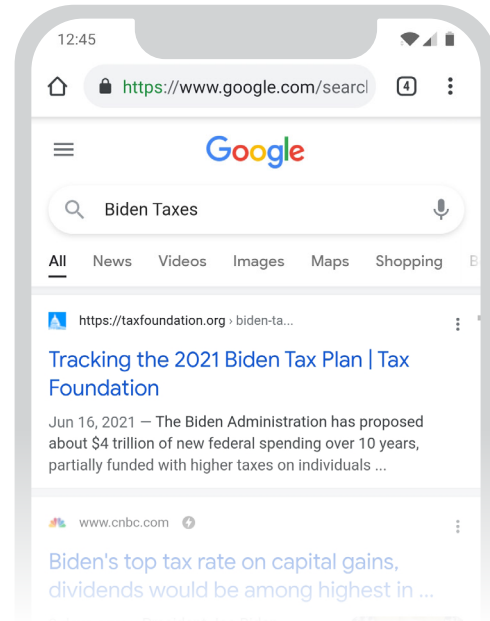
5,403,514

MEDIA CITATIONS

9,060

TAXES AND GROWTH MODEL UPGRADE

Tax Foundation's most important tool is the Taxes and Growth (TAG 2.0) General Equilibrium Model; it simulates the effects of tax policies on the economy and on government revenues and budgets. In 2020, we implemented a "matched database" that allows us to incorporate demographic data from the U.S. Census Bureau and other sources into our existing modeling. This new data infusion yields rich information about effects on real American households.



**Our analysis routinely ranks #1 on Google.
It even outranks joe Biden.com.**

TAKING ON THE WEALTH TAX

One of the most economically harmful ideas to gain traction in 2020 was the wealth tax, championed by Senator Elizabeth Warren and Senator Bernie Sanders, among others. Our modeling and analysis was crucial for informing lawmakers and the public about the harm a wealth tax could pose to U.S. competitiveness and the economy.

MEDIA CITATIONS

314



SAVERS AND INVESTORS

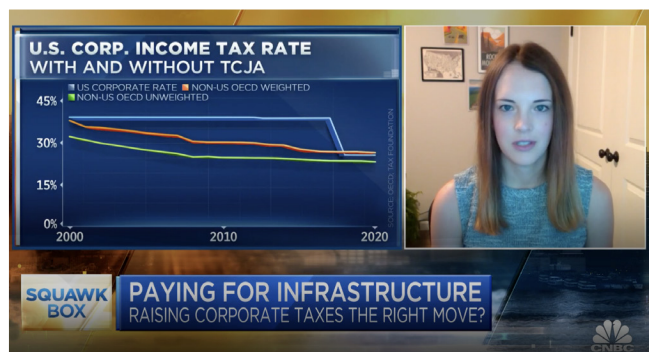
When we launched our Savers and Investors Program, we took the opportunity to reexamine our work output—research, modeling, analysis, commentary, everything we do—through the eyes of individuals who can and want to make strides toward prosperity.

The U.S. tax code places substantial burdens on saving and investment. Tax Foundation's Marketing Team built a strategy around TAG Model's findings to ensure data and facts were quickly and widely distributed.

We want taxpayers to know their industriousness, innovation, and commitment to making the U.S. more competitive are appreciated and they deserve a tax code that enhances those qualities, not hinders them.

CAMPAIGNING FOR COST RECOVERY

We rolled out an extensive campaign to educate policymakers looking for options to increase long-run growth on the benefits of full expensing. Our campaign helped bring together interests in the business community with educational resources for Hill staff and the media. The Federal Team met with staff from 25 Hill offices and briefed one Member of Congress and staff at the White House. Our resources and educational outreach helped shape several introduced bills on the Hill and built a foundation for further outreach in 2021.



Tax Foundation Economist Erica York Appears on CNBC's Squawk Box

PUBLICATIONS

49

PAGEVIEWS

862,073

MEDIA CITATIONS

4,400

CAPITAL HILL MEETINGS

25

MEDIA CITATIONS

614

CENTER FOR GLOBAL TAX POLICY

The mission of the global program is to promote tax and fiscal policy that leads to higher economic growth and improved quality of life for taxpayers throughout the world.

GLOBAL MEDIA HITS



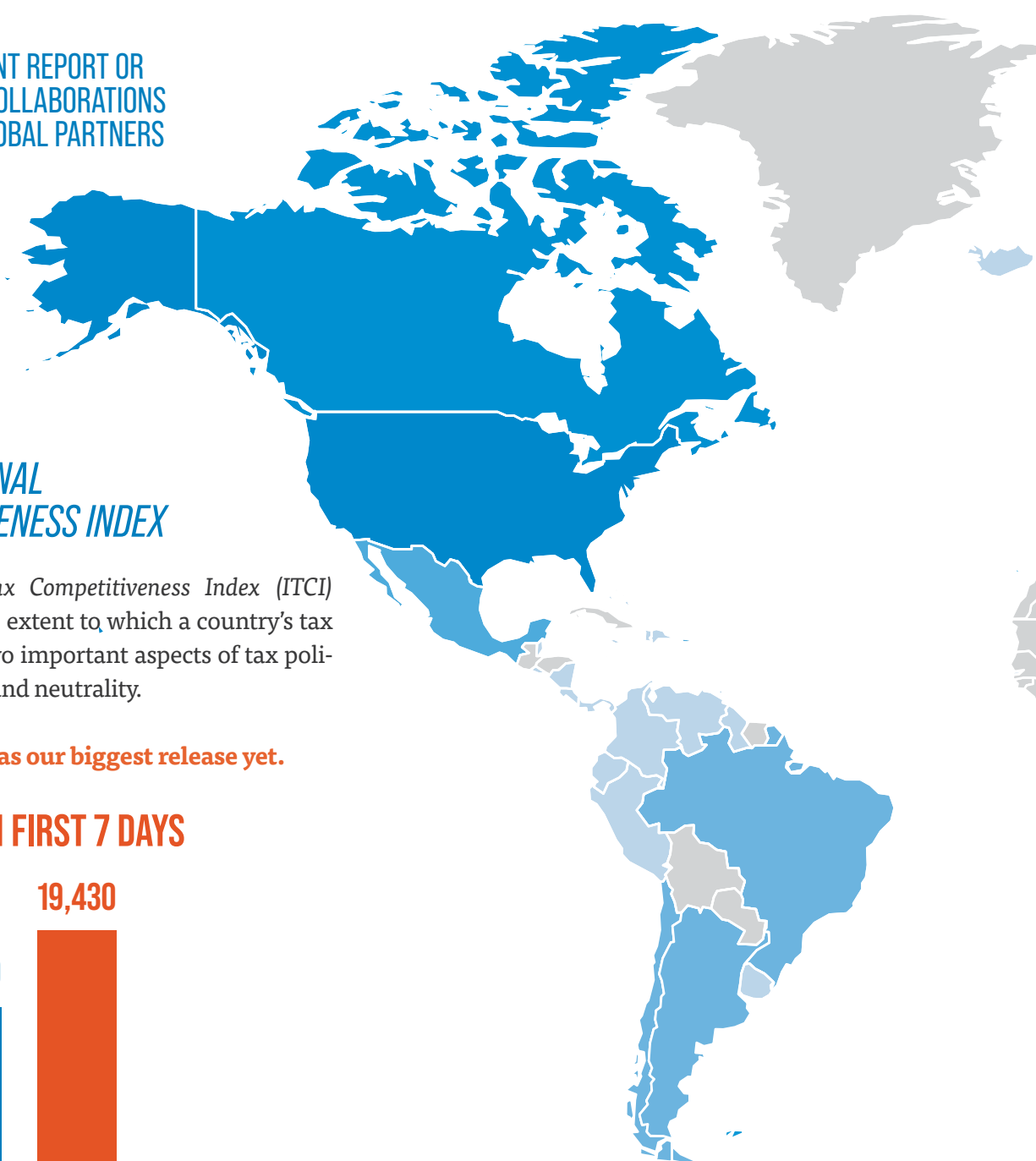
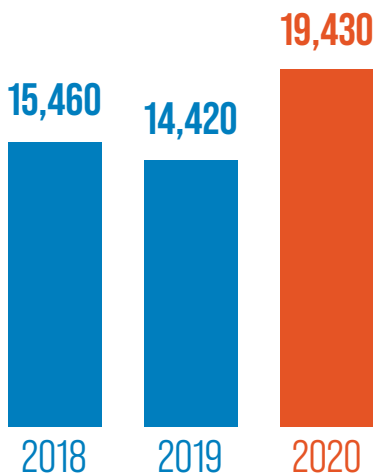
20 DIFFERENT REPORT OR
EVENT COLLABORATIONS
WITH GLOBAL PARTNERS

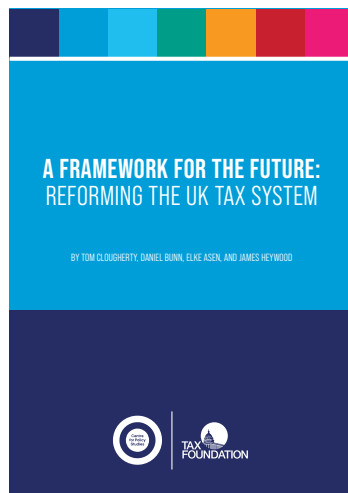
THE *INTERNATIONAL TAX COMPETITIVENESS INDEX*

The *International Tax Competitiveness Index (ITCI)* seeks to measure the extent to which a country's tax system adheres to two important aspects of tax policy: competitiveness and neutrality.

Our 2020 release was our biggest release yet.

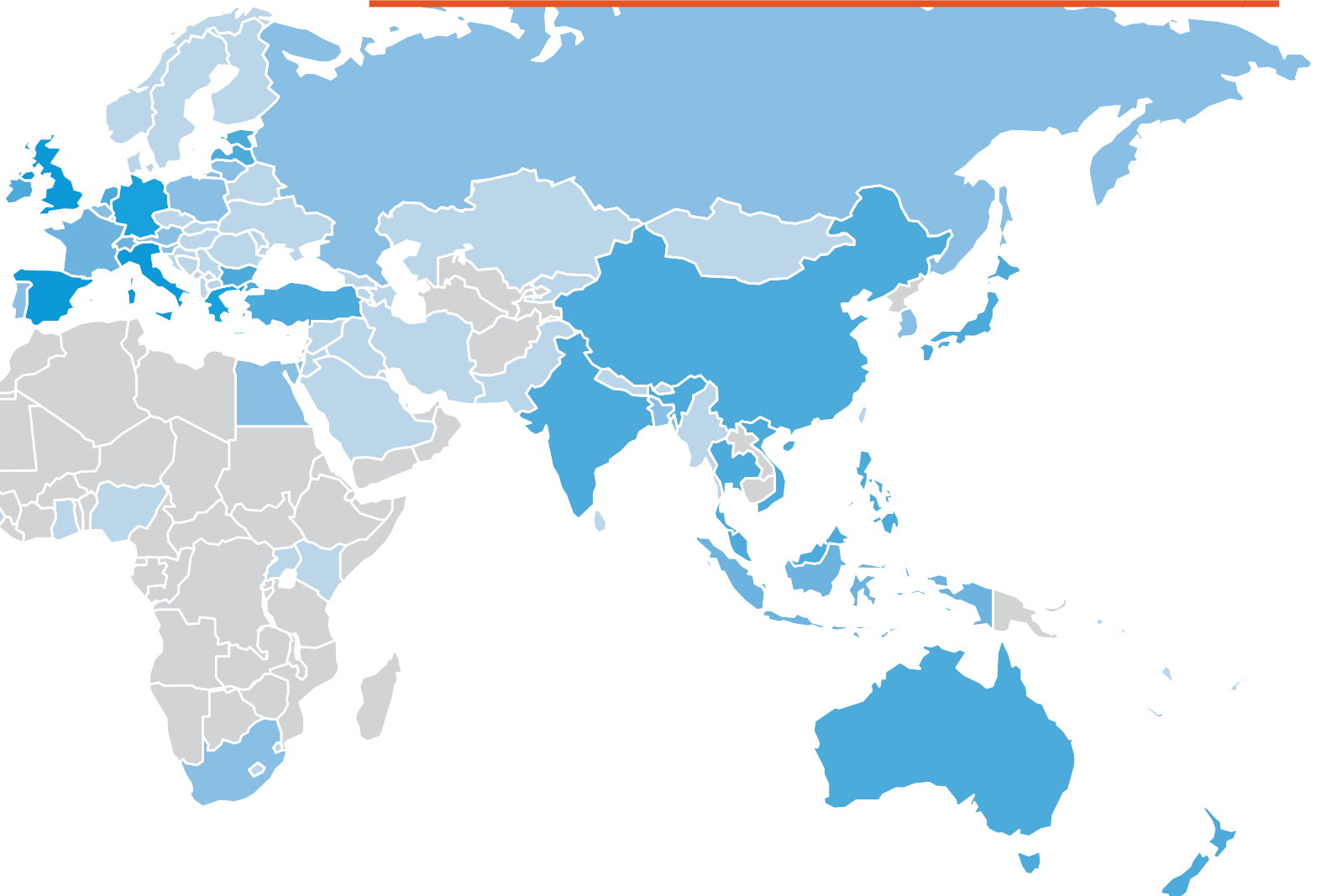
ONLINE VIEWS IN FIRST 7 DAYS





TAX REFORM IN THE UNITED KINGDOM

In a post-Brexit world, the United Kingdom seeks to be an attractive place for individuals to work and businesses to invest. We partnered with the UK's Centre for Policy Studies to provide a comprehensive guide with an eye toward neutrality and growth to promote these opportunities in their tax code. Parliament has already drawn a rough road map for tax reform including many of the ideas proposed in our book.



42 COUNTRIES REPRESENTED
IN OUR JULY 2020 DIGITAL
TAXATION WEBINAR

"The work Tax Foundation is doing is an invaluable asset for the international movement for lower taxes and better governance."

-STRATEGIC PARTNER IN GREECE

Tax Prom 2020

DIFFERENT LOOK, SAME CELEBRATION

Since 1937, Tax Prom has commemorated and celebrated the tax policy community with an annual black tie dinner—wars and recessions never hindered Tax Prom, but COVID-19 was a different story. For the first time in our 83-year history, Tax Prom was not in-person. This virtual event presented a unique opportunity to speak with dozens of congressional staffers and leaders in the tax community—past and present, Democrat and Republican—to hear what it’s like working on policies that impact millions. We compiled those interviews into a tribute honoring the unsung heroes of Washington, D.C.: Capitol Hill staffers.



HOSTS RUSS SULLIVAN AND SCOTT HODGE

PRESENTATIONS FROM KEY MEMEBERS OF CONGRESS



CURRENT AND FORMER CONGRESSIONAL
STAFF LENT US THEIR TIME TO
CELEBRATE THE WORK OF STAFF

15
GUEST SPEAKERS

19
HOURS OF INTERVIEWS

SUCCESS IN CHALLENGING TIMES

In a season of change, the tax community's brilliance shined as bright as ever. The virtual Tax Prom was a smashing success with sponsors, attendees, and honorees committed to celebrating principled policy, even if it was from the comfort of their homes.

176
ATTENDEES

2,959
PLATFORM PAGEVIEWS

27
SPONSORS



THE HONORABLE PAUL D. RYAN

Former Speaker of the House of Representatives,
Ways and Means Chairman, and Staffer



ARUNA KALYANAM

U.S. Department of the Treasury, Office of Legislative Affairs
Deputy Assistant Secretary, Tax and Budget



DAVID MORGAN

Former Tax and Legislative Counsel for Ways and Means Committee



LINDY PAULL

Former Chief of Staff, Joint Committee on Taxation

A NOTE FROM OUR CHAIRMAN OF THE BOARD

I hope this Annual Report has given you a strong understanding of not only how influential and important the mission of Tax Foundation is, but also provided you with immense confidence that we take stewardship and our supporters' trust very seriously.

As a 501(c)(3), our nonprofit status means we rely entirely on gifts, investments, and grants to fund our work. We will not—and have not—accepted a penny of government funding. When we were offered a PPP loan during the pandemic, Scott, Tax Foundation's president, refused without hesitation. This position is written in our bylaws and is a precept we will not compromise.

Steadfast is a word I would use to describe Tax Foundation. I have served as Chairman of the Board of Directors since 2007 and throughout my tenure, I have watched the mission, principles, culture, and products remain relentless, regardless of current events. It is perhaps the greatest reason I respect the brilliant minds and leadership at Tax Foundation.

As we look to the future, I want you to know we want you to be a part of it. Consider this an open call for your ideas, feedback, and comments. My career as a global executive has provided me with many unique perspectives and experiences that have benefited Tax

Foundation for 14 years, so I know you have some valuable insights too.

We are here to help policymakers and their staff with a variety of tools intended to create a world where success is not hindered by the tax code.

If you believe strides toward prosperity are not futile, that future generations need a watchdog to shine a bright light on tax policy, I invite you to become a Tax Foundation investor. Simply open the camera on your smartphone and hold it over this QR code; you will be taken to our donation page and into our family of stakeholders.

Truly,



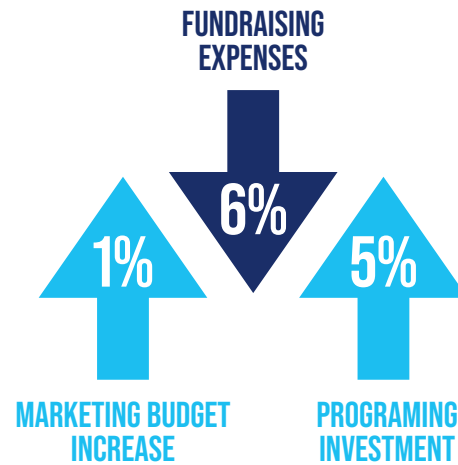
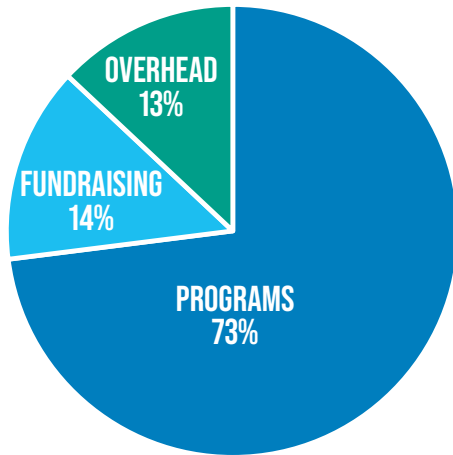
David P. Lewis



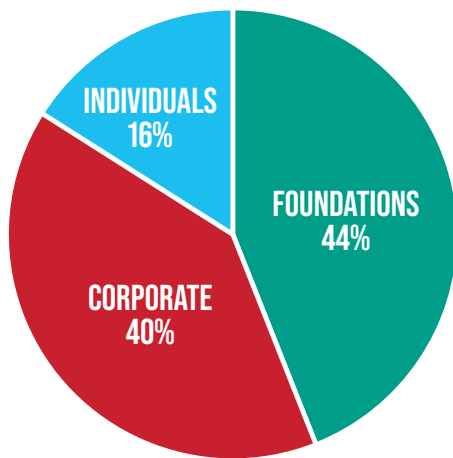
From the Legacy Society to recurring monthly gifts, there are many ways to support Tax Foundation's crucial mission. If you would like to talk to someone about open opportunities for individuals, please contact Michael Vogler at vogler@taxfoundation.org.

If your corporation is interested in sponsoring an event or project, please contact Josh Jaye at jjay@taxfoundation.org.

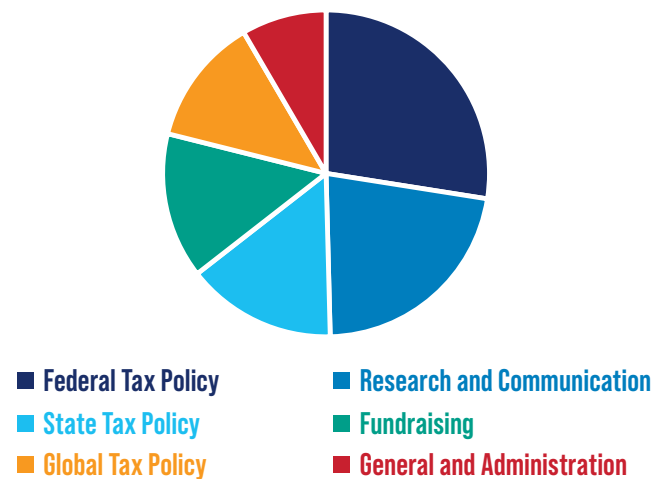
2020 SPENDING BY TYPE



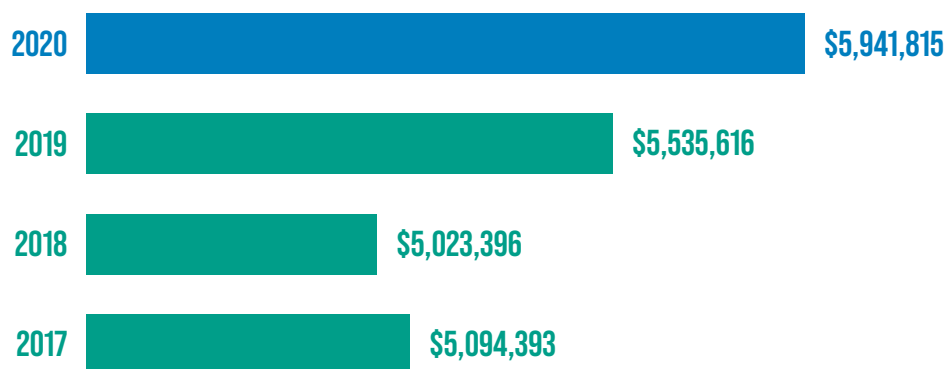
SUPPORT BY TYPE



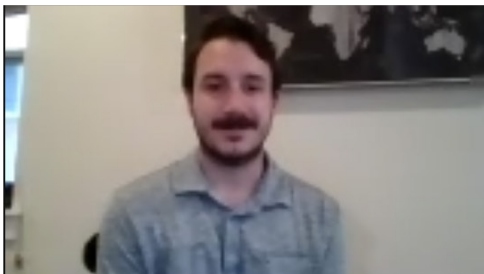
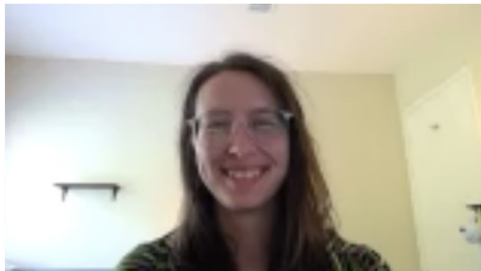
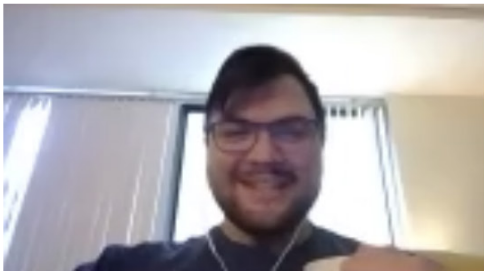
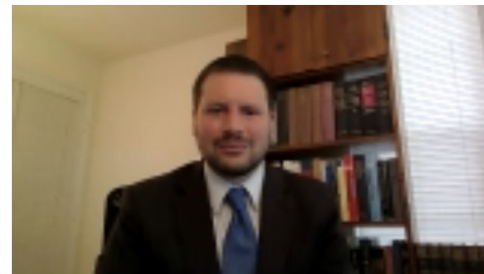
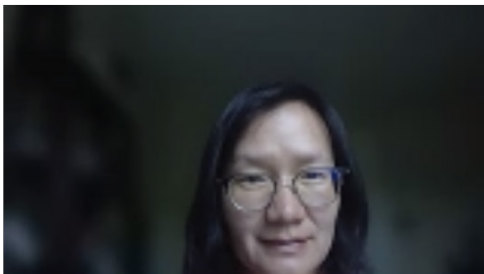
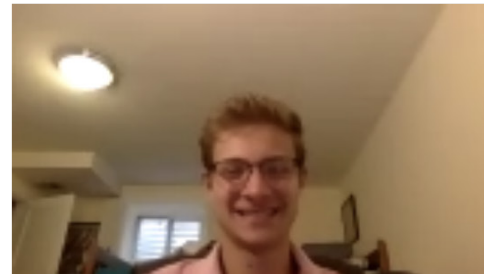
2020 ALLOCATION OF FUNDS BY DEPARTMENT



TOTAL REVENUE & SUPPORT



OUR TEAM, NOW AND BEYOND





OUR BOARD

Mr. David P. Lewis (Chairman)
 Managing Director,
 Washington National Tax Services, PwC

Mr. James W. Lintott (Treasurer)
 Chairman
 Sterling Foundation Management, LLC

The Honorable Philip English
 Co-Chair, Government Relations Group
 Arent Fox LLP

Mr. Dennis Groth
 Owner and Founder
 Groth Vineyards and Winery

Dr. Douglas Holtz-Eakin
 President, American Action Forum
 Sixth Director of the CBO

Mr. Stephen Kranz
 Partner
 McDermott Will & Emery

Ms. Sarah McGill
 Senior Vice President, Tax
 PepsiCo, Inc.

Ms. Pamela Olson
 Consultant, Tax Policy Services
 PwC

Mr. Tom Roeser
 Senior Director of Tax Affairs
 Microsoft Corporation

Scott Hodge
 President
 Tax Foundation

AUDITED FINANCIALS

YEAR ENDED DECEMBER 31, 2020

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE AND SUPPORT			
Grants and Contributions	\$ 3,474,410	\$ 1,841,000	\$ 5,315,410
Fundraising Event			
Annual Dinner	298,000	-	298,000
Less: Direct Costs	(43,696)	-	(43,696)
Net Revenue from Fundraising Event	254,304	-	254,304
Investment Income, Net	369,611	-	369,611
Honoraria And Reimbursements	2,490	-	2,490
Net Assets Released from Restrictions	1,429,687	(1,429,687)	-
Total Revenue and Support	5,530,502	411,313	5,941,815
EXPENSES			
Program Services:			
Federal Tax Policy	1,305,296	-	1,305,296
State Tax Policy	706,371	-	706,371
Research and Communication	1,049,296	-	1,049,296
Global Tax Reform	399,389	-	399,389
Total Program Services	3,460,352	-	3,460,352
Support Services:			
General and Administration	601,854	-	601,854
Fundraising	685,755	-	685,755
Total Support Services	1,287,609	-	1,287,609
Total Expenses	4,747,961	-	4,747,961
CHANGE IN NET ASSETS	782,541	411,313	1,193,854
NET ASSETS, beginning of year	2,546,078	341,171	2,887,249
NET ASSETS, end of year	\$ 3,328,619	\$ 752,484	\$ 4,081,103

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taxfoundation.org

The background of the page is a solid blue color. Overlaid on this are several large, overlapping circles in different colors: a green circle on the right side, a red circle on the bottom left, and a yellow circle at the bottom center. The circles overlap each other and the blue background, creating a modern, abstract design.