

Congress of the United States

Washington, DC 20515

October 6, 2024

James R. Quincey
Chairman and Chief Executive Officer
Coca-Cola
1 Coca Cola Plz NW
Atlanta, GA 30313

Dear Mr. Quincey:

We are writing to express our concern about Coca-Cola's pattern of profiteering off consumers, both through "shrinkflation" and dodging taxes on those price-gouging profits.¹ Comments from Coca-Cola executives on earnings calls reveal a concerted effort to shrink packaging sizes to squeeze more profit out of customers already facing challenging economic circumstances.² Moreover, a new analysis shows that in the first five years following the 2017 Republican corporate tax cuts, Coca-Cola paid just 13.5 percent in federal income taxes on its \$13.4 billion in profits.³

In other words, Coca-Cola is sticking the American people with the bill twice over, with American families (1) paying higher prices for smaller packages of food, and (2) paying their taxes while big corporations like Coca-Cola avoid chipping in their fair share to run our country. We are requesting additional information about Coca-Cola's shrinkflation practices and tax liability to more clearly understand the consequences for consumers.

Coca-Cola has been engaging in shrinkflation for years, promoting what it calls "package innovation" in order to boost its bottom line.⁴ Over the past three years, Coca-Cola executives have made comments on corporate earnings calls expressing their intent to "stretch out the pricing

¹ CNBC, "Lael Brainard slams food companies for 'shrinkflation' as White House attacks price gouging," Rebecca Picciotto, February 13, 2024, <https://www.cnbc.com/2024/02/13/feds-lael-brainard-shrinkflation-white-house-battle.html>; Institute of Taxation and Economic Policy, "Corporate Tax Avoidance in the First Five Years of the Trump Tax Law," Matthew Gardner, Steve Wamhoff, and Spandan Marasini, February 2024, p. 17, <https://sfo2.digitaloceanspaces.com/itep/ITEP-Corporate-Tax-Avoidance-in-the-First-Five-Years-of-the-Trump-Tax-Law.pdf>.

² U.S. Senator Bob Casey, "A Greedflation Report: Shrinkflation: How Corporations are Shrinking Products to Super-size Profits," December 2023, p.6, https://www.casey.senate.gov/imo/media/doc/shrinkflation_report.pdf.

³ Institute of Taxation and Economic Policy, "Corporate Tax Avoidance in the First Five Years of the Trump Tax Law," Matthew Gardner, Steve Wamhoff and Spandan Marasini, February 2024, p. 17, <https://sfo2.digitaloceanspaces.com/itep/ITEP-Corporate-Tax-Avoidance-in-the-First-Five-Years-of-the-Trump-Tax-Law.pdf>.

⁴ Senator Bob Casey, "A Greedflation Report: Shrinkflation: How Corporations are Shrinking Products to Super-size Profits," December 2023, p.6, https://www.casey.senate.gov/imo/media/doc/shrinkflation_report.pdf.

ladder”⁵ and “leverag[e]... greater pack diversity.”⁶ These comments may attempt to signal an interest in genuine innovation with respect to packaging and pricing strategy, but the reality makes clear that what Coca-Cola’s executives actually meant was shrinkflation: selling less soda for the same price. In fact, Coca-Cola is open with its shareholders about its pricing strategy: last year, you commented that Coca-Cola had “earn[ed] the right” to hike prices for consumers because of your company’s market power.⁷

While customers have had to dig deeper into their wallets to pay for Coca-Cola products, the company’s profits have soared.⁸ In 2023, so-called “package innovation” – e.g. shrinkflation – “contributed to approximately 30 percent of gross profit growth.”⁹ Shrinking the size of a can in order to gouge consumers on the price per ounce is not innovation, it is exploitation. Coca-Cola is using shrinkflation to pad its bottom line, gouging consumers in the process.¹⁰ Unfortunately, this price gouging is a widespread problem, with corporate profits driving over half of inflation.¹¹

While Coca-Cola continues to profit off consumers, the company is also turning around and paying less of those profits in taxes than the families it price gouges. According to a recent report by the Institute for Taxation and Economic Policy, from 2018 to 2022, Coca-Cola made \$13.4 billion but paid an average effective tax rate of just 13.5 percent¹² – a tax rate even lower than the corporate tax rate that was reduced from 35 to 21 percent by President Trump and Congressional Republicans in 2017.¹³

⁵ The Coca-Cola Co., “The Coca-Cola Co. Q3 2022 Earnings Call,” corrected transcript, October 25, 2022, p. 18, https://d1io3yog0oux5.cloudfront.net/_2fc665950562bff5f68f5f7e5d600a22/cocacolacompany/db/764/7953/file/CORRECTED+TRANSCRIPT_+The+Coca-Cola+Co.%28KO-US%29%2C+Q3+2022+Earnings+Call%2C+25-October-2022+8_30+AM+ET.pdf.

⁶ The Coca-Cola Co., “The Coca-Cola Co. Q3 2023 Earnings Call,” corrected transcript, October 24, 2023, p.11, https://d1io3yog0oux5.cloudfront.net/_2fc665950562bff5f68f5f7e5d600a22/cocacolacompany/db/764/8059/file/CORRECTED+TRANSCRIPT_+The+Coca-Cola+Co.%28KO-US%29%2C+Q3+2023+Earnings+Call%2C+24-October-2023+8_30+AM+ET.pdf.

⁷ Reuters, “To raise prices or not? Consumer goods makers weigh bets while retailers fret,” Jessica DiNapoli, February 21, 2023, <https://www.reuters.com/business/retail-consumer/raise-prices-or-not-consumer-goods-makers-weigh-bets-buyer-strength-2023-02-20/>.

⁸ Financial Times, “Coca-Cola sales rise despite surging prices,” Madeleine Speed, February 13, 2024, <https://www.ft.com/content/466a4ad5-fb39-4f6f-a4c7-b4abcd712d7>.

⁹ The Coca-Cola Co., “The Coca-Cola Co. Q4 2023 Earnings Call,” February 13, 2024, p. 5, https://d1io3yog0oux5.cloudfront.net/_2fc665950562bff5f68f5f7e5d600a22/cocacolacompany/db/764/8078/file/CORRECTED+TRANSCRIPT++The+Coca-Cola+Co.%28KO-US%29%2C+Q4+2023+Earnings+Call%2C+13-February-2024+8+30+AM+ET.pdf.

¹⁰ Modern Retail, “Shrinkflation is boosting Coca-Cola’s bottom line,” Maria Monteros, October 25, 2022, <https://www.modernretail.co/operations/shrinkflation-is-boosting-coca-colas-bottom-line/>.

¹¹ Groundwork Collaborative, “Inflation Revelation: How Outsized Corporate Profits Drive Rising Costs,” Liz Pancotti and Lindsay Owens, January 18, 2024, p. 1, <https://groundworkcollaborative.org/work/inflation-revelation-how-outsized-corporate-profits-drive-rising-costs/>.

¹² Institute of Taxation and Economic Policy, “Corporate Tax Avoidance in the First Five Years of the Trump Tax Law,” Matthew Gardner, Steve Wamhoff and Spandan Marasini, February 2024, p. 17, <https://sfo2.digitaloceanspaces.com/itep/ITEP-Corporate-Tax-Avoidance-in-the-First-Five-Years-of-the-Trump-Tax-Law.pdf>.


¹³ Institute of Taxation and Economic Policy, “Corporate Tax Avoidance in the First Five Years of the Trump Tax Law,” Matthew Gardner, Steve Wamhoff and Spandan Marasini, February 2024, p. 2, <https://sfo2.digitaloceanspaces.com/itep/ITEP-Corporate-Tax-Avoidance-in-the-First-Five-Years-of-the-Trump-Tax-Law.pdf>.

The 2017 Republican corporate tax cuts were sold with “trickle down” arguments about benefits to consumers, but these tax breaks actually incentivized price gouging.¹⁴ After the tax cuts passed—thanks in large part to a lobbying blitz funded by Coca-Cola and other corporate interests¹⁵—business investment fell, and then corporations raised prices to pad their profits, knowing that lower corporate tax cuts meant they would get more back on each dollar of price increase.¹⁶ We strongly oppose these corporate tax giveaways, and have fought to pass tax increases on big corporations, including the 15 percent minimum tax on billion-dollar corporations.¹⁷ No corporation should pay a lower tax rate than working Americans – especially when that same corporation turns around and gouges consumers on the other end through shrinkflation.

Coca-Cola’s shrinkflation practices, coupled with the low effective tax rate it pays on its record profits, have the effect of squeezing consumers two times over. First, Coca-Cola gives consumers less product for each dollar they pay; and second, the company keeps more of those profits and contributes relatively less to running the federal government than working families do. This disparity is extremely troubling. Thus, we request that you respond to the following questions by no later than October 20, 2024:

1. Please provide the average price that Coca-Cola charged per ounce of soda for each of its soda products (including separate figures for different sizes of the same product) in each year for 2018, 2019, 2020, 2021, 2022, 2023, and 2024.
2. If Republicans’ Tax Cuts and Jobs Act had not been in effect, how much more would Coca-Cola have had to pay in federal tax in each of 2018, 2019, 2020, 2021, 2022, and 2023?
3. Did Coca-Cola executives receive bonuses or other incentives during periods of high inflation?

Sincerely,



Elizabeth Warren
United States Senator



Madeleine Dean
Member of Congress

¹⁴ Other Words, “Trump’s Corporate Tax Cuts Paved the Way for Inflation,” Lindsay Owens, May 15, 2024, <https://otherwords.org/trumps-corporate-tax-cuts-paved-the-way-for-inflation/>.

¹⁵ New York Times, “How Big Companies Won New Tax Breaks from the Trump Administration,” Jesse Drucker and Jim Tankersley, April 2, 2021, <https://www.nytimes.com/2019/12/30/business/trump-tax-cuts-beat-gilti.html>.

¹⁶ Other Words, “Trump’s Corporate Tax Cuts Paved the Way for Inflation,” Lindsay Owens, May 15, 2024, <https://otherwords.org/trumps-corporate-tax-cuts-paved-the-way-for-inflation/>.

¹⁷ Inflation Reduction Act of 2022, H.R. 5376, <https://www.congress.gov/bill/117th-congress/house-bill/5376>.

Congress of the United States

Washington, DC 20515

October 6, 2024

Ramon Laguarta
Chairman and Chief Executive Officer
PepsiCo
700 Anderson Hill Road Purchase
New York, 10577

Dear Mr. Laguarta:

We are writing to express our concern about PepsiCo's pattern of profiteering off consumers, both through "shrinkflation" and dodging taxes on those price-gouging profits.¹ Comments from PepsiCo's executives on earnings calls reveal a concerted effort to reduce portion sizes to squeeze more profit out of customers already facing challenging economic circumstances.² Moreover, a new analysis shows that in the first five years following the 2017 Republican corporate tax cuts, PepsiCo paid just 15 percent in federal income taxes on its \$22.4 billion in profits.³

In other words, PepsiCo is sticking the American people with the bill twice over, with American families (1) paying higher prices for smaller packages of food, and (2) paying their taxes while big corporations like PepsiCo avoid chipping in their fair share to run our country. We are requesting additional information about PepsiCo's shrinkflation practices and tax liability to more clearly understand the consequences for consumers.

PepsiCo's engagement in shrinkflation is no secret.⁴ In fact, it was explicitly affirmed that reduced portion sizes make up part of its "pricing and mix strategy,"⁵ with the justification that these initiatives are reflective of consumer-driven "portion control" preferences.⁶ For example, PepsiCo replaced its 32 oz Gatorade bottle with a 28 oz bottle for the same price – a 14% price

¹ CNBC, "Lael Brainard slams food companies for 'shrinkflation' as White House attacks price gouging," Rebecca Picciotto, February 13, 2024, <https://www.cnbc.com/2024/02/13/feds-lael-brainard-shrinkflation-white-house-battle.html>.

² PepsiCo, Inc., "PepsiCo, Inc. Q3 2023 Earnings Call," corrected transcript, October 18, 2023, p. 4, https://investor.pepsico.com/docs/default-source/investors/q3-2023/q3-2023-pep_transcript_zehhpzcviylwi7hgw.pdf.

³ Institute of Taxation and Economic Policy, "Corporate Tax Avoidance in the First Five Years of the Trump Tax Law," February 2024, p. 20, <https://sfo2.digitaloceanspaces.com/itep/ITEP-Corporate-Tax-Avoidance-in-the-First-Five-Years-of-the-Trump-Tax-Law.pdf>.

⁴ U.S. Senator Bob Casey, "A Greedflation Report: Shrinkflation: How Corporations are Shrinking Products to Super-size Profits," December, 2023, p.6. https://www.casey.senate.gov/imo/media/doc/shrinkflation_report.pdf.

⁵ PepsiCo, Inc., "PepsiCo, Inc. Q3 2023 Earnings Call," corrected transcript, October 10, 2023, p. 4, https://investor.pepsico.com/docs/default-source/investors/q3-2023/q3-2023-pep_transcript_zehhpzcviylwi7hgw.pdf.

⁶ PepsiCo, "Third Quarter 2023 Prepared Management Remarks," October 10, 2023, p. 8, https://investors.pepsico.com/docs/default-source/investors/q3-2023/q3-2023-prepared-management-remarks_dhtt4t3mra68r6u1.pdf.

increase.⁷ Moreover, when defining your “effective net pricing” calculation, PepsiCo explicitly included references to “selling varying products in different package sizes”⁸ – the benefit of which can be seen in your 2023 revenue growth rates with a 10% increase in revenue because of these “effective net pricing” tactics.⁹

Though some of PepsiCo’s comments may attempt to signal an interest in innovation or consumer-focused initiatives with respect to packaging and pricing strategies, the reality makes clear that what PepsiCo’s executives actually meant was shrinkflation: selling less product for the same price. Shrinking the size of a product in order to gouge consumers on the price per ounce is not innovation, it is exploitation. Unfortunately, this price gouging is a widespread problem, with corporate profits driving over half of inflation.¹⁰

While PepsiCo continues to profit off consumers, the company is also turning around and paying less of those profits in taxes than the families it price gouges. According to a recent report by the Institute for Taxation and Economic Policy, from 2018 to 2022, PepsiCo made \$22.4 billion but paid an average effective tax rate of just 15 percent¹¹ - a tax rate even lower than the corporate tax rate that was reduced from 35 to 21 percent by President Trump and Congressional Republicans in 2017.¹²

The 2017 Republican corporate tax cuts were sold with “trickle down” arguments about benefits to consumers, but these tax breaks actually incentivized price gouging.¹³ After the tax cuts passed—thanks in large part due to a lobbying blitz funded by corporate interests¹⁴—business investment fell, and then corporations raised prices to pad their profits, knowing that lower corporate tax cuts meant they would get more back on each dollar of price increase.¹⁵ We

⁷ Quartz, “How companies are hiding inflation without charging you more,” Clarisa Diaz, March 10, 2022, <https://qz.com/2129426/inflation-and-supply-chain-snags-are-shrinking-your-products>; U.S. Senator Bob Casey, “A Greedflation Report: Shrinkflation: How Corporations are Shrinking Products to Super-size Profits,” December, 2023, p.6, https://www.casey.senate.gov/imo/media/doc/shrinkflation_report.pdf.

⁸ PepsiCo, “PepsiCo Reports Third-Quarter 2023 Results; Raises Full-Year EPS Guidance And Provides Initial 2024 Outlook,” October 10, 2023, p. 7, https://investor.pepsico.com/docs/default-source/investors/q3-2023/q3-2023-earnings-release_wlddafg8sim0xvmu.pdf.

⁹ *Id.*, pp. A-7, A-8.

¹⁰ Groundwork Collaborative, “Inflation Revelation: How Outsized Corporate Profits Drive Rising Costs,” Liz Pancotti and Lindsay Owens, January 18, 2024, p. 1, <https://groundworkcollaborative.org/work/inflation-revelation-how-outsized-corporate-profits-drive-rising-costs/>.

¹¹ Institute of Taxation and Economic Policy, “Corporate Tax Avoidance in the First Five Years of the Trump Tax Law,” Matthew Gardner, Steve Wamhoff and Spandan Marasini, February 2024, p. 20, <https://sfo2.digitaloceanspaces.com/itep/ITEP-Corporate-Tax-Avoidance-in-the-First-Five-Years-of-the-Trump-Tax-Law.pdf>.

¹² Institute of Taxation and Economic Policy, “Corporate Tax Avoidance in the First Five Years of the Trump Tax Law,” Matthew Gardner, Steve Wamhoff and Spandan Marasini, February 2024, p. 2, <https://sfo2.digitaloceanspaces.com/itep/ITEP-Corporate-Tax-Avoidance-in-the-First-Five-Years-of-the-Trump-Tax-Law.pdf>.

¹³ Other Words, “Trump’s Corporate Tax Cuts Paved the Way for Inflation,” Lindsay Owens, May 15, 2024, <https://otherwords.org/trumps-corporate-tax-cuts-paved-the-way-for-inflation/>.

¹⁴ New York Times, “How Big Companies Won New Tax Breaks from the Trump Administration,” Jesse Drucker and Jim Tankersley, April 2, 2021, <https://www.nytimes.com/2019/12/30/business/trump-tax-cuts-beat-gilti.html>.

¹⁵ Other Words, “Trump’s Corporate Tax Cuts Paved the Way for Inflation,” Lindsay Owens, May 15, 2024, <https://otherwords.org/trumps-corporate-tax-cuts-paved-the-way-for-inflation/>.

strongly oppose these corporate tax giveaways, and have fought to pass tax increases on big corporations, including the 15 percent minimum tax on billion-dollar corporations.¹⁶ No corporation should pay a lower tax rate than working Americans – especially when that same corporation turns around and gouges consumers on the other end through shrinkflation.

PepsiCo’s shrinkflation practices, coupled with the low effective tax rate it pays on its record profits, have the effect of squeezing consumers two times over. First, PepsiCo gives consumers less product for each dollar they pay; and second, the company keeps more of those profits and contributes relatively less to running the federal government than working families do. This disparity is extremely troubling. Thus, we request that you respond to the following questions by no later than October 20, 2024:

1. Please provide the average price that PepsiCo charged per ounce of soda for each of its soda products (including separate figures for different sizes of the same product) in each year for 2018, 2019, 2020, 2021, 2022, 2023, and 2024.
2. If Republicans’ Tax Cuts and Jobs Act had not been in effect, how much more would PepsiCo have had to pay in federal tax in each of 2018, 2019, 2020, 2021, 2022, and 2023?
3. Did PepsiCo executives receive bonuses or other incentives during periods of high inflation?

Sincerely,



Elizabeth Warren
United States Senator



Madeleine Dean
Member of Congress

¹⁶ Inflation Reduction Act of 2022, H.R. 5376, <https://www.congress.gov/bill/117th-congress/house-bill/5376>.

Congress of the United States

Washington, DC 20515

October 6, 2024

Jeff Harmening
Chairman and Chief Executive Officer
General Mills
1 General Mills Blvd
Minneapolis, MN, 55426

Dear Mr. Harmening:

We are writing to express our concern about General Mills' pattern of profiteering off consumers, both through "shrinkflation,"¹ and dodging taxes on those price-gouging profits.² Comments from General Mills executives on earnings calls reveal an effort to offer smaller-sized packaging as part of its pricing actions,³ and a new analysis shows that in the first five years following the 2017 Republican corporate tax cuts, General Mills paid just 14.8 percent in federal income taxes on its \$12 billion in profits.⁴

In other words, General Mills is sticking the American people with the bill twice over, with American families (1) paying higher prices for smaller packages of food, and (2) paying their taxes while big corporations like General Mills avoid chipping in their fair share to run our country. We are requesting additional information about General Mills' shrinkflation practices and tax liability to more clearly understand the consequences for consumers.

General Mills' engagement in shrinkflation is no secret.⁵ In fact, reporting indicates that one of the key reasons that "General Mills has [kept] sales and profits growing ... [is] by reducing promotions (or discounts) on its products, shrinking some packaging sizes and increasing wholesale prices retailers pass on to consumers".⁶ For example, in 2021, General Mills cut the

¹ NPR, "Beware Of 'Shrinkflation,' Inflation's Devious Cousin," Greg Rosalsky, July 6, 2021, <https://www.npr.org/sections/money/2021/07/06/1012409112/beware-of-shrinkflation-inflations-devious-cousin>.

² Institute of Taxation and Economic Policy, "Corporate Tax Avoidance in the First Five Years of the Trump Tax Law," Matthew Gardner, Steve Wamhoff, and Spandan Marasini, February 2024, p. 17, <https://sfo2.digitaloceanspaces.com/itep/ITEP-Corporate-Tax-Avoidance-in-the-First-Five-Years-of-the-Trump-Tax-Law.pdf>.

³ The Motley Fool, "General Mills (GIS) Q1 2024 Earnings Call Transcript," September 20, 2023, p. 13, <https://www.fool.com/earnings/call-transcripts/2023/09/20/general-mills-gis-q1-2024-earnings-call-transcript/>.

⁴ Institute of Taxation and Economic Policy, "Corporate Tax Avoidance in the First Five Years of the Trump Tax Law," Matthew Gardner, Steve Wamhoff, and Spandan Marasini, February 2024, p. 17, <https://sfo2.digitaloceanspaces.com/itep/ITEP-Corporate-Tax-Avoidance-in-the-First-Five-Years-of-the-Trump-Tax-Law.pdf>.

⁵ U.S. Senator Bob Casey, "A Greedflation Report: Shrinkflation: How Corporations are Shrinking Products to Super-size Profits," December 2023, p. 3, https://www.casey.senate.gov/imo/media/doc/shrinkflation_report.pdf.

⁶ Minnesota Star Tribune, "General Mills offers fewer promotions, but consumers keep buying," Brooks Johnson, December 20, 2022, <https://www.startribune.com/general-mills-sweetens-its-2023-outlook-amid-higher-prices/600237446/>.

size of “Family Size” offerings for multiple cereal products, including decreasing “Family Size” Cocoa Puffs from 19.3 ounces to 18.1 ounces while charging the same price, at least initially.⁷ Then, from mid-2021 to mid-2022, General Mills hiked prices five times⁸, and in 2023, your Group President of North American Retail bragged that the company was “getting smart about how we look at pricing”.⁹

General Mills has tried to reframe shrinking the size of cereal boxes as both an environmental and consumer-focused package redesign, but still admitted that “the most value is normally in our larger boxes of cereal”¹⁰ - value that General Mills has eroded. The reality makes clear that General Mills is employing shrinkflation tactics to pad its bottom line.¹¹ Unfortunately, this price gouging is a widespread problem, with corporate profits driving over half of inflation.¹²

While General Mills continues to profit off consumers, the company is also turning around and paying less of those profits in taxes than the families it price gouges. According to a recent report by the Institute for Taxation and Economic Policy, from 2018 to 2022, General Mills made \$12 billion but paid an average effective tax rate of just 14.8 percent¹³ – a tax rate even lower than the corporate tax rate that was reduced from 35 to 21 percent by President Trump and Congressional Republicans in 2017.¹⁴

The 2017 Republican corporate tax cuts were sold with “trickle down” arguments about benefits to consumers, but these tax breaks actually incentivized price gouging.¹⁵ After the tax cuts passed—thanks in large part due to a lobbying blitz funded by corporate interests¹⁶—business investment fell, and then corporations raised prices to pad their profits, knowing that lower

⁷ U.S. Senator Bob Casey, “A Greedflation Report: Shrinkflation: How Corporations are Shrinking Products to Super-size Profits,” December, 2023, p.3. https://www.casey.senate.gov/imo/media/doc/shrinkflation_report.pdf.

⁸ Food Business News, “General Mills has taken food pricing five times,” Josh Sosland, June 2, 2022, <https://www.foodbusinessnews.net/articles/21484-general-mills-has-taken-pricing-five-times>.

⁹ U.S. Senator Bob Casey, “A Greedflation Report: Shrinkflation: How Corporations are Shrinking Products to Super-size Profits,” December, 2023, p.3. https://www.casey.senate.gov/imo/media/doc/shrinkflation_report.pdf.

¹⁰ NPR, “Beware of ‘Shrinkflation’, Inflation’s Devious Cousin,” Greg Rosalsky, July 6, 2021, <https://www.npr.org/sections/money/2021/07/06/1012409112/beware-of-shrinkflation-inflations-devious-cousin>.

¹¹ Minnesota Star Tribune, “General Mills offers fewer promotions, but consumers keep buying,” Brooks Johnson, December 20, 2022, <https://www.startribune.com/general-mills-sweetens-its-2023-outlook-amid-higher-prices/600237446/>.

¹² Groundwork Collaborative, “Inflation Revelation: How Outsized Corporate Profits Drive Rising Costs,” Liz Pancotti and Lindsay Owens, January 18, 2024, p. 1, <https://groundworkcollaborative.org/work/inflation-revelation-how-outsized-corporate-profits-drive-rising-costs/>.

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¹⁴ Institute of Taxation and Economic Policy, “Corporate Tax Avoidance in the First Five Years of the Trump Tax Law,” Matthew Gardner, Steve Wamhoff and Spandan Marasini, February 2024, p. 2, <https://sfo2.digitaloceanspaces.com/itep/ITEP-Corporate-Tax-Avoidance-in-the-First-Five-Years-of-the-Trump-Tax-Law.pdf>.

¹⁵ Other Words, “Trump’s Corporate Tax Cuts Paved the Way for Inflation,” Lindsay Owens, May 15, 2024, <https://otherwords.org/trumps-corporate-tax-cuts-paved-the-way-for-inflation/>.


¹⁶ New York Times, “How Big Companies Won New Tax Breaks from the Trump Administration,” Jesse Drucker and Jim Tankersley, April 2, 2021, <https://www.nytimes.com/2019/12/30/business/trump-tax-cuts-beat-gilti.html>.


corporate tax cuts meant they would get more back on each dollar of price increase.¹⁷ We strongly oppose these corporate tax giveaways, and have fought to pass tax increases on big corporations, including the 15 percent minimum tax on billion-dollar corporations.¹⁸ No corporation should pay a lower tax rate than working Americans – especially when that same corporation turns around and gouges consumers on the other end through shrinkflation.

General Mills’ shrinkflation practices, coupled with the low effective tax rate it pays on its record profits, have the effect of squeezing consumers two times over. First, General Mills gives consumers less product for each dollar they pay; and second, the company keeps more of those profits and contributes relatively less to running the federal government than working families do. This disparity is extremely troubling. Thus, we request that you respond to the following questions by no later than October 20, 2024:

1. Please provide the average price that General Mills charged per ounce of cereal for each of its cereal products (including separate figures for different sizes of the same product) in each year for 2018, 2019, 2020, 2021, 2022, 2023, and 2024.
2. If Republicans’ Tax Cuts and Jobs Act had not been in effect, how much more would General Mills have had to pay in federal tax in each of 2018, 2019, 2020, 2021, 2022, and 2023?
3. Did General Mills executives receive bonuses or other incentives during periods of high inflation?

Sincerely,


Elizabeth Warren
United States Senator


Madeleine Dean
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¹⁷ Other Words, “Trump’s Corporate Tax Cuts Paved the Way for Inflation,” Lindsay Owens, May 15, 2024, <https://otherwords.org/trumps-corporate-tax-cuts-paved-the-way-for-inflation/>.

¹⁸ Inflation Reduction Act of 2022, H.R. 5376, <https://www.congress.gov/bill/117th-congress/house-bill/5376>.