

Costco Shareholder Meeting Question
Justin Danhof, Esq., General Counsel and Free Enterprise Project Director
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I'm Justin Danhof of the National Center for Public Policy Research. I want to ask you about company strategy regarding the new tax reform law.

U.S. House Minority Leader Nancy Pelosi called the new tax law a “scam” that “does violence to the vision of our Founders.”¹ Senate Minority Leader Chuck Schumer called the day the tax bill passed “one of the darkest black-letter days in the long history of [the] Senate,” and said the bill was designed to stuff “money into the pockets of the wealthy and the biggest corporations.”²

Local politicians also lambasted the conservative plan to lower taxes. During the legislative process, Washington Senator Maria Cantwell claimed the Republican tax plan was a giveaway to what she calls “big oil.”³ Senator Patty Murray claimed it was a “high-priced giveaway to millionaires, billionaires and the biggest corporations.”⁴ Furthermore, local business icon Howard Schultz called the tax cut “fool’s gold,” and specifically said corporate taxes should not be reduced.⁵

The majority of those in the mainstream media – who are reflexively opposed to anything advanced by the Trump Administration – have been more than willing to carry this negative message about the tax cuts to the American public. Their main message is that it will enrich corporate fat cats at the expense of workers in the lower and middle classes.

I am hoping you can help to set the record straight. Many American companies have announced plans to increase wages, increase domestic investment and offer bonuses to employees as a result of the Trump tax cuts.

Can you elaborate on what Costco intends to do with any savings it may yield from the reduction in the corporate tax rate? Can you tell us how you anticipate this change will impact Costco’s employees, customers and investors? Finally, as the media has suggested, are you and the rest of the board members planning to purchase new yachts with Costco’s tax savings?⁶

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¹ <https://www.dailywire.com/news/24888/watch-unhinged-pelosi-claims-tax-bill-does-ryan-saavedra>

² https://www.huffingtonpost.com/entry/chuck-schumer-tax-bill_us_5a2224fde4b0a02abe91524b

³ <https://www.cantwell.senate.gov/news/press-releases/cantwell-statement-on-senate-finance-committee-passage-of-republican-tax-bill>

⁴ <https://www.murray.senate.gov/public/index.cfm/2017/9/sen-murray-gop-tax-cut-plan-is-more-of-the-same-a-gift-to-the-wealthiest-americans-and-the-biggest-corporations>

⁵ <http://money.cnn.com/2017/11/09/investing/howard-schultz-tax-cuts-starbucks/index.html>

⁶ <https://www.nytimes.com/2017/10/29/opinion/trump-raise-taxes.html>