DELTA AIRLINES INCENTIVES

- Delta, which acquired Northwest in 2008, didn't pay any federal income taxes in 2010 because of both carriers' massive losses in recent years. According to regulatory findings, "We believe we will not pay any cash federal income taxes during the next several years" noting that it had $17.1 billion worth of "net operating loss carry forwards" at the end of last year.

  Delta's tax credits don't start expiring until 2022, meaning the company could potentially avoid roughly $6 billion in taxes over the next 10 years.
  ("Atlanta Journal Constitution" Corporate Giants Find Ample Shelter, July 11, 2011)

- Georgia Governor Nathan Deal (R) signed a bill extending tax breaks for Delta Airlines. Delta will save $30 million over the next two years in jet fuel taxes, $20 million in 2012 and $10 million in $2013.
  (Examiner; April 27, 2011)

The following comes from the report "Shortchanged: How Airlines Can Repay Taxpayers for Billions in Subsidies by Improving Jobs, Security and Services" by Carolina Briones and Holly Myers, July 2008
http://www.laane.org/downloads/ShortchangedStudy.pdf

- Delta Airlines received $636 million in cash grants after September 11, 2001
  (US Department of Transportation)

- In 2006 Delta had 1 plan of 13,000 participants in an underfunded pension plan that was transferred to the PBGC. The PBGC estimated Delta's pension deficit at $10.6 billion. However, because of limits on individual benefits that the agency pays, the PBGC will be on the hook for $8.4 billion. (That means the workers lost $2.2 billion in benefits)
  (Pension Benefit Guaranty Corporation)

- Delta received $193.9 million in RAIC Bonds at LAX. This money was used for terminal facilities in 1996 and 1985, and maintenance and employee parking facilities in 1975.

- Airlines in California have received at least $1.7 billion in low-cost financing for improvements to their facilities at certain airports, thanks to tax exempt bonds issued on the airlines' behalf by non-profit and public entities like the Regional Airports Improvement Corporation (RAIC) and the California Statewide Communities Development Authority (CSCDA). Tax-exempt bonds represent a subsidy to the airlines because the interest rate is lower—and the cost of financing is less—than what they would receive in the private market. Because the proceeds from the bonds are tax-exempt, investors are willing to receive a lower rate of return than they would otherwise. The cost to the taxpayer is the foregone tax revenue that the bond investors would have paid on the interest earned on their investment. Because the public cost of the bonds derives from foregone tax revenue, the taxpayer subsidy does not appear in state or local budgets.
  (LAANA analysis of Los Angeles World Airports data)

- Delta, similarly, arranged bankruptcy-proof pension plans for more than 30 executives in 2002. It later dismantled the program, but only after making $45 million worth of trust payments that executives were allowed to retain.
  (Kesmodel, David and Milstead, David, "UAL Execs Face Cuts: If Workers' Pensions Go, Officials' Plan to be Slashed Too," Rocky Mountain News (Denver, CO), October 19, 2004)