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October 13, 2026

Mark Zuckerberg
Chairman and Chief Executive Officer
Meta Platforms, Inc.
1 Meta Way
Menlo Park, CA 94025

Dear Mr. Zuckerberg:

We write regarding reports that Meta Platforms, Inc. (“Meta” or “the company”) may be abusing the federal research and development tax credit (“research credit”) to avoid billions of dollars in taxes.¹ According to public reports, Meta has claimed to the Internal Revenue Service (“IRS”) on federal tax filings that the company’s artificial intelligence data centers are experimental “pilot models” that qualify for the research credit. This strategy – in violation of the spirit and, potentially, the letter of the tax law – supposedly saved Meta billions of dollars on its A.I. data center buildout, including on the purchase of advanced microchips and computing equipment.²

As you are aware, Meta has indicated on federal regulatory filings that it has used the federal research credit to reduce its federal income tax liability by \$6.6 billion between 2023 – 2025. Meta claimed \$700 million in research credits in 2023, more than doubled it in 2024 to \$2 billion, and doubled it again in 2025 to nearly \$4 billion.³ Meta is a prolific user of the federal research credit and represents a disproportionately large share of the federal tax revenue loss that is attributable to the credit. According to the estimates of the Joint Committee on Taxation, the federal research credit cost the government \$32 billion in 2025. By this measure, Meta alone would be responsible for more than 10% of all research credits claimed in the U.S.⁴

¹How Meta Uses A.I. Data Centers to Avoid Billions in Federal Taxes, The New York Times, Sep. 30, 2026, online at <https://www.nytimes.com/2026/09/30/technology/meta-ai-data-centers-taxes.html>

² *Id.*

³ Form 10-K for the fiscal year ended December 31, 2025 filed by Meta Platforms, Inc. with the United States Securities and Exchange Commission, online at <https://www.sec.gov/Archives/edgar/data/1326801/000162828026003942/meta-20251231.htm>

While it remains unclear exactly how Meta was able to reduce its federal tax liability by over \$6.6 billion in the last three years using federal research credits, it appears from published reports that a substantial share is by claiming the research credit related to its massive A.I. data center build out. Under section 41 of the Internal Revenue Code, companies may claim the research credit for costs related to domestic research or experimental expenditures.⁵ The research credit is intended to help offset the cost of experimental efforts with a high risk of technical uncertainty; it is not intended for standard business operations or commercially available technologies already in use. For these reasons, acquisition of hardware used in data centers, which is widespread and relies on proven technology, would not normally be considered eligible for the federal research credit.

It appears that Meta was aware of the risks associated with claiming billions in tax breaks on A.I. data centers but decided to move forward with this questionable strategy anyway.⁶ According to public reports, Meta is treating its A.I. data centers and standard data centers differently for tax purposes, claiming that its A.I. data centers are part of a giant research experiment.⁷ Meta apparently employed this questionable theory in order to use research credits to cut billions of dollars of the costs incurred from purchasing costly hardware needed to operate its data centers, such as advanced microchips acquired from companies like Nvidia.⁸

Meta in its disclosures to investors indicated that this tax strategy may not withstand scrutiny from the IRS. In its most recent annual report, Meta indicated that its “uncertain tax positions” were related to “uncertainties with our research and development tax credits that are based on an assessment of whether our available documentation corroborating the nature of our activities supporting the tax credits will be sufficient.”⁹ Any effort by Meta to use A.I. data center expansion as eligible for research credits is potentially a significant misapplication of federal tax law that merits further investigation.

This is unfortunately not the first time Meta has claimed federal research credits for questionable purposes. In 2013, Meta claimed that \$4.1 billion you received when you exercised stock options should be eligible for research credits.¹⁰ The IRS is challenging this position that

⁴ *Estimates of Federal Tax Expenditures for Fiscal Years 2025 – 2029*, The Joint Committee on Taxation, Dec. 3, 2025, online at <https://www.jct.gov/publications/2025/jcx-45-25/>

⁵ 26 U.S. Code § 41

⁶ *How Meta Uses A.I. Data Centers to Avoid Billions in Federal Taxes*, The New York Times, Sep. 30, 2026, online at <https://www.nytimes.com/2026/09/30/technology/meta-ai-data-centers-taxes.html>

⁷ *Id.*

⁸ *Id.*

⁹ Form 10-K for the fiscal year ended December 31, 2025 filed by Meta Platforms, Inc. with the United States Securities and Exchange Commission, online at <https://www.sec.gov/Archives/edgar/data/1326801/000162828026003942/meta-20251231.htm> (At pg. 70: “We recognize tax benefits from uncertain tax positions only if we believe that it is more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. These uncertain tax positions include our estimates related to uncertainties with our research and development tax credits that are based on an assessment of whether our available documentation corroborating the nature of our activities supporting the tax credits will be sufficient.”)

¹⁰ <https://www.nytimes.com/interactive/2026/09/29/us/facebook-2025-05-300041motion-for-partial-summary-judgment.html>

billions of dollars in CEO compensation you received is eligible for the research credit and seeking \$355 million in back taxes from Meta.

The federal research credit can be a useful and necessary tool to support our nation's innovation economy and cutting-edge research. Subsidizing your A.I. data center build is not close to meeting this standard.

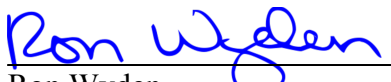
In order to ensure the research credit is administered responsibly to protect the American taxpayer, and to better understand Meta's use of federal research credits to subsidize its A.I. data center build out, please provide answers to the following questions no later than October 31, 2026:

1. Has Meta claimed tax credits under Section 41 of the Internal Revenue Code for tax years 2023 through 2025, related to the buildout and operation of its A.I. data centers? If yes, please describe the legal justification for claiming these federal research credits, the types of research and experimentation expenditures Meta claimed were eligible for the federal research credit, and the total dollar amount of federal research credits Meta claimed for expenses related to A.I. data centers.
2. Has Meta claimed to the IRS on federal tax filings that its A.I. data centers are "pilot models" in order to qualify for the federal research credit under Sections 41?
3. Has Meta taken the position that expenses related to A.I. data centers are eligible for the federal research credit while expenses related to non A.I. data centers are not? If yes, please provide a legal analysis explaining why Meta believes that expenses related to its A.I. data centers are eligible for federal research credits while data centers unrelated to A.I. are not.
4. Did Meta consult with experts from EY or any other professional accounting firms prior to making the decision to claim federal research credits for expenses related to A.I. data centers? If yes, please describe these interactions and whether EY or any other professional service firms advised Meta that expenses related to A.I. data centers qualified for the federal research credit.
5. Did EY or any other professional accounting firm or law firm provide an opinion or opinions on whether expenses related to A.I. data centers were eligible to be claimed for the research credit? If so, please provide copies of such opinions.
6. In 2023, Meta disclosed that it claimed \$700 million in federal research and development tax credits. How much of those tax credits was related to the construction or operation of A.I. data centers? Please specify how much of the federal research credits Meta claimed that year was for the purchase of microchips, computing equipment and other materials necessary to build or operate A.I. data centers.

7. In 2024, Meta disclosed that it claimed approximately \$2 billion in federal research and development tax credits. How much of those tax credits was related to the construction or operation of A.I. data centers? Please specify how much of the federal research credits Meta claimed that year was for the purchase of microchips, computing equipment and other materials necessary to build or operate A.I. data centers.
8. In 2025, Meta disclosed that it claimed approximately \$3.9 billion in federal research and development tax credits. How much of those tax credits was related to the construction or operation of A.I. data centers? Please specify how much of the federal research credits Meta claimed that year was for the purchase of microchips, computing equipment and other materials necessary to build or operate A.I. data centers.
9. Why did Meta claim that \$4.1 billion in stock-based compensation for Mark Zuckerberg between 2008 – 2010 was a “qualified research expense”? Please provide a detailed justification as to why the CEO compensation for Mr. Zuckerberg serves a research or experimental purpose.
10. Does Meta intend to continue challenging the \$355 million in back taxes the IRS is seeking related to treating Mr. Zuckerberg’s stock-based compensation as a qualified research expense? If yes, why?

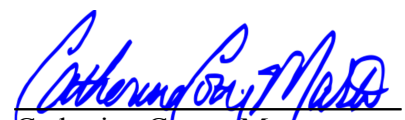
Thank you for your attention to this important matter. We look forward to your response.

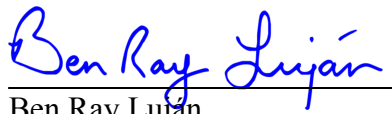
Sincerely,


Ron Wyden
United States Senator
Ranking Member, Committee
on Finance

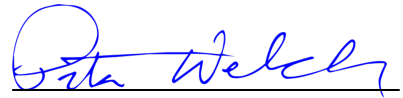

Sheldon Whitehouse
United States Senator


Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs

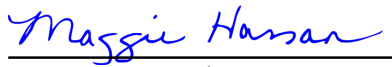

Catherine Cortez Masto
United States Senator



Ben Ray Lujan
United States Senator



Peter Welch
United States Senator



Margaret Wood Hassan
United States Senator