

In Brief: European Commission refers France over telecom taxes

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The European Commission referred France to the Court of Justice Wednesday due to tax breaks granted to France Telecom.

The EC said in a statement that a 2004 examination of the tax regime determined that France Telecom received preferential treatment from the government and that the government had failed to recover that alleged aid.

"The Commission's decision defined the aid to be recovered as the difference between the amount of business tax that France Telecom would have had to pay if the normal business tax law had been applied and the amount of business tax actually paid by France Telecom," the EC said.

The value of the tax breaks in question was estimate at nearly \$1 billion.

France Telecom has appealed the 2004 order and maintains that the amount of money to be paid back had not yet been finalized.

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