

French authorities probe Google's tax bill

March 20 2012



Employees work in the Google France offices in Paris in 2011. French authorities are probing Google for potential tax avoidance, a source close to the matter said Tuesday, with the US Internet giant facing a possible bill of over 100 million euros (\$132 million).

French authorities are probing Google for potential tax avoidance, a source close to the matter said Tuesday, with the US Internet giant facing a possible bill of over 100 million euros (\$132 million).

"A process of [tax](#) adjustment is under way," the source told AFP.

The French budget ministry declined to comment, citing fiscal [secrecy](#).

A spokesman for Google France said Google complies with the tax legislation of every country it operates in.

"We're convinced that we are in compliance with French laws," the

spokesman said.

French news website lexpress.fr reported that tax and custom authorities searched Google France's offices in June.

Emails, receipts and contracts were seized during the search in order to determine how much business and sales tax the company had not paid between 2008 and 2010, the website said.

France is Google's fourth-biggest market in terms of activity, but the company had a declared turnover of only 68.7 million euros (\$90.7 million) in 2010.

That amount is 37 times less than Google's turnover in the United Kingdom, which is 2.5 billion euros (\$3.3 billion), lexpress.fr said. Google may have to pay more than 100 million euros (\$132 million) in extra tax to French authorities, it added.

Many large US companies including Google base their operations in Ireland, where taxes are low. Paid French links on Google are billed to the company's European headquarters in Ireland.

French tax authorities' eventual decision could affect other US companies including Facebook, Amazon and Apple.

Amazon France declared a turnover of 21.7 million euros (\$28.6 million) in 2010, while Amazon's overall turnover was 26 billion euros (\$34.3 billion).

Amazon also pays no [sales tax](#) on MP3 music files downloaded from its French site, lexpress.fr said.

(c) 2012 AFP

Citation: French authorities probe Google's tax bill (2012, March 20) retrieved 27 April 2024 from <https://phys.org/news/2012-03-french-authorities-probe-google-tax.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.