

# Court orders retraction of back taxes on IBM Japan

May 9 2014

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A Tokyo court ordered authorities Friday to retract back taxes they had imposed on IBM's Japan unit for its alleged failure to declare some \$4 billion in income.

In 2010, the Tokyo regional tax bureau slapped the back taxes, worth some 120 billion [yen](#) (\$1.18 billion), on IBM Japan's holding company, IBM AP Holdings.

The bureau had insisted that the group generated losses by manipulating intra-group trade of IBM Japan shares so as to evade taxation.

But the holding company, denying the allegation that it failed to declare 400 billion yen (\$3.9 billion) in income, filed a suit with the Tokyo District Court to seek the retraction of the taxes.

Presiding judge Kazuhiro Yagi said there was no ground to determine that the IBM group had attempted [tax evasion](#).

"We deem that the ruling has accepted our company's position," IBM Japan's public relations office said in a statement.

"IBM takes the taxpayers' responsibility very seriously and will continue fulfilling its tax obligations not only in Japan but also in every country it does business."

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Citation: Court orders retraction of back taxes on IBM Japan (2014, May 9) retrieved 25 April 2024 from <https://phys.org/news/2014-05-court-retraction-taxes-ibm-japan.html>

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