

# Apple tax bill undermines transatlantic cooperation, Lew says

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US Treasury Secretary Jacob Lew on Wednesday reiterated the Obama administration's frustration with European authorities over their decision this week to impose back taxes on Apple.

The European Commission this week said Apple, the world's most valuable company, owed Ireland \$14.5 billion because Dublin had offered the iPhone maker illegal and unfair tax arrangements.

"Our concern with the European Commission action is that it is using a state-aid theory to make [tax law](#) and it is doing it in a way that is retroactive and that overrides national tax law authority," Lew said following a speech in Washington on this weekend's G20 summit in China.

Lew's remarks followed a reaction from the White House on Tuesday, which described European authorities' actions as "unilateral" and "unfair."

The Obama administration has sought to prohibit corporations from virtually eliminating their entire tax burdens through overseas moves and so-called corporate inversions.

Lew said that, while US tax reforms may not have been realized, the European actions created economic uncertainty, unfairly focused on US firms and were an attempt to reach into the US tax base.

Lew also said he had told corporate leaders that driving companies' tax burdens to an absolute minimum carried risks to their reputations.

"I have said to many CEOs that you need to be more careful when you think about only maximizing tax advantage," Lew said. "I have been very clear on issues like inversion, that it's legal but it's wrong."

Former US senator Carl Levin, a Democrat who oversaw Congressional investigations into corporate tax avoidance, said in a statement on Tuesday that European authorities were understandably attempting to recoup taxes that the US Internal Revenue Service had failed to collect and that Apple wrongly avoided.

"The IRS has failed to stake a claim for US taxes on those revenues for a decade or more," Levin said.

"It has been passive and so Europe attempts to fill the vacuum. Shame on Apple for dodging US taxes. Shame on the IRS for failing to challenge Apple's [tax](#) avoidance."

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