

EU rejects US concerns of bias in company tax investigations

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In this Wednesday, Dec. 7, 2011 file photo, a person stands near the Apple logo at the company's store in Grand Central Terminal, in New York. The European Union's executive branch rejected Thursday, Aug. 25, 2016 the U.S. government's complaint that its probes into sweetheart tax deals between EU governments and big companies are hitting U.S. firms hardest. The European Commission, which polices EU laws, is cracking down on the practice in which EU governments offer low corporate tax rates to multinationals. The Commission has opened tax probes into Apple in Ireland, Starbucks in the Netherlands and Amazon in Luxemburg. (AP Photo/Mark Lennihan, File)

The European Union's executive branch rejected Thursday the U.S. government's complaint that its probes into sweetheart tax deals between EU governments and big companies are hitting U.S. firms hardest.

"EU law applies indiscriminately to all companies operating in Europe—there is no bias against U.S. companies," Commission spokeswoman Lucia Caudet said.

The European Commission, which polices EU laws, is cracking down on the practice in which EU governments offer low corporate [tax rates](#) to multinationals. In exchange, the companies set up their EU headquarters in those countries. The practice means multinationals often pay very low effective tax rates.

The Commission has opened tax probes into Apple in Ireland, Starbucks in the Netherlands and Amazon in Luxembourg. Caudet noted one of its first tax rulings last year concerned European [company](#) Fiat. This year the Commission rejected a Belgian tax scheme involving 35 mostly European companies.

The U.S. Treasury Department says the EU investigations could cost American taxpayers if companies are forced to pay higher taxes in Europe because businesses get U.S. tax credits for foreign tax payments.

Apple and other U.S. companies leave much of their foreign earnings overseas to avoid higher U.S. tax rates, but Treasury officials say they're working to get companies to repatriate those funds.

Caudet said the EU Commission has been in regular contact with U.S. authorities over the tax matter and that it "remains available to offer all necessary further clarifications" about European state aid law.

"The Commission welcomes that the fight against tax evasion and [tax](#)

avoidance is high on the political agenda on international, EU and national levels," she said.

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