

Ireland recovers 14bn euros in Apple 'back taxes'

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The EU says Apple's effective tax rate in Europe was 0.005 percent in 2014

Apple has completed payment of 14.3 billion euros (\$16.7 billion) in back taxes to the Irish government, Dublin said Tuesday, following a European Commission ruling that the tech giant had benefitted from illegal tax breaks in the country.

The money has been paid into an escrow account, a type of third-party account used in transactions.

The payments were issued over the second and third quarters of 2018, creating "one of the largest funds of its kind to be established," finance minister Paschal Donohoe said in a statement.

But Dublin continues to deny that Apple—which has established its European headquarters in Ireland—benefitted from preferential treatment from revenue services, as the Commission ruled in 2016.

In his statement Donohoe referred to the recovered funds as "alleged state aid" and said the ruling continues to be formally challenged.

But he said Ireland had made the recovery as a result of its obligations as an EU member state.

"The [government](#) fundamentally disagrees with the Commission's analysis in the Apple State Aid decision and is seeking an annulment of that decision in the European Courts," he said.

Donohoe said the funds would remain in escrow pending the outcome of the appeal presently before the European courts.

The European Commission said Apple paid an effective corporate tax rate of just 0.005 per cent on its European profits in 2014—an equivalent to 50 euros for every million.

But the Irish government said Apple paid the full amount owed to the state from 2004 to 2014 and denies it gave it "selective treatment".

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