

**BREAKING**

**NEWS**

# New study deems Amazon worst for 'aggressive' tax avoidance

Fair Tax Mark, a British organization that certifies businesses for good tax conduct, assessed global tax payments from Facebook, Apple, Amazon, Netflix, Google and Microsoft between 2010 and 2019. The report noted that scrutiny of big corporations' tax payments often focused solely on tax provisions, which was not always the final amount received by governments. It also claimed that profits continued to be "shifted to tax havens, especially Bermuda, Ireland, Luxembourg and the Netherlands." Paul Monaghan, CEO of Fair Tax Mark, said there was an enormous difference between what companies accounted for and what they actually handed over in taxes.

The report singles out Amazon, which is run by the world's richest person, Jeff Bezos, as the worst offender. It said the group paid just \$3.4bn (£2.6bn) in tax on its income so far this decade despite achieving revenues of \$960.5bn and profits of \$26.8bn. Fair Tax Mark said this means Amazon's effective tax rate was 12.7% over the decade when the headline tax rate in the US has been 35% for most of that period.



Amazon has been named in the report as avoiding tax by shifting revenue and profits through tax havens or low-tax countries, and for also delaying the payment of taxes they do incur. "The company is growing its market domination across the globe on the back of revenues that are largely untaxed and can unfairly undercut local businesses that take a more responsible approach," the report said.

Amazon said the report's "suggestions are wrong", the company had "a 24% effective tax rate on profits from 2010-2019". Amazon add the company's "profit margins are low" and that "naturally results in a lower cash tax rate." Moreover, Amazon underline that had invested 55 billion euros (\$60 billion) across Europe since 2010 and £18 billion in the U.K., and had paid £793 million in taxes to the U.K. alone last year.

Fair Tax Mark said Amazon's accounting was so complicated there was "no way to discern" how much tax Amazon should be paying or is paying in the UK despite its filings to the US tax authorities showing it made \$14.5bn in revenue in the UK last year, and \$75.8bn over the decade.

Amazon's two UK subsidiaries – Amazon UK Services and Amazon Web Services UK – had combined tax bills of only £83m over the decade, as the bulk of sales are booked via Luxembourg. Amazon UK Services arm paid £14m in corporation tax last year.

Paul Monaghan said: "Our analysis of the long-run effective tax rate of the Silicon Valley Six over the decade to date has found that there is a significant difference between the cash taxes paid and both the headline rate of tax and, more significantly, the reported current tax provisions. We conclude that the corporation tax paid has been much lower than is commonly understood."

Alex Cobham, chief executive of Tax Justice Network, said: "When multinational corporations abuse their tax responsibilities to society, they weaken the supports that our economies need to work well and create wealth [...] By ensuring multinational corporations pay their fair share locally for the wealth created locally by people's work – based on an agreed formula and supplemented by a minimum effective tax rate – governments can strengthen their economies to run smoothly and make a good life possible for everyone."

In a statement Amazon said: "Governments write the tax laws and Amazon is doing the very thing they encourage companies to do – paying all taxes due while also investing many billions in creating jobs and infrastructure. Coupled with low margins, this investment will naturally result in a lower cash tax rate."



#### Sources:

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