

EU battles in court to overturn Apple tax bill ruling

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The EU accuses Ireland of allowing Apple to escape almost any taxation between 2003 and 2014.

Apple and Brussels butted heads in a top EU court on Tuesday as the bloc battled to overturn a ruling against its whopping 13-billion euro

order on the iPhone-maker to pay Ireland in back taxes.

The landmark case remains one of the most bitter between the European Commission and a big tech firm, dating back to 2016 when the EU's executive arm accused Ireland of allowing Apple to escape 13 billion euros (\$14 billion) in taxes between 2003 and 2014.

The EU alleged that Apple parked untaxed revenue earned in Europe, Africa, the Middle East and India in Ireland, which is a European hub for US-based big tech.

Brussels claims this amounted to illegal "state aid" by Ireland.

On Tuesday, the bloc's highest court heard the commission's appeal against a 2020 decision by the EU's lower General Court to annul its order that Apple repay the money.

The commission's lawyer, Paul-John Loewenthal, told the European Court of Justice (ECJ) that there had been a "breach of procedure" and "numerous other legal errors" when the lower court heard the case.

He also said the "tax breaks" resulted in Apple's Irish subsidiary "paying an effective tax rate on its European profits starting at one percent in 2003 down to 0.005 percent in 2014".

"Tax breaks which Apple itself described (to the US Senate) as investment incentives amounting to state aid," Loewenthal said.

Apple's lawyer Daniel Beard pushed back against Loewenthal's claims.

"Apple has paid the taxes that were due under the Irish tax code," Beard said.

"Taking quotes to the US Senate completely out of context doesn't change that."

The lawyer dismissed Brussels' accusations of illegal support from Ireland, insisting "there was no special treatment, there was no state aid".

Apple has been present in Ireland since the 1980s and employs more than 6,000 people in Cork, the country's second-largest city.

The ECJ's top legal advisor will issue an opinion on November 9, with a final ruling expected a few months later by judges that are not bound by the advice.

The EU has faced difficulty justifying its tax decisions in recent years with previous [court](#) losses against Amazon and Starbucks.

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