

EU court rejects Brussels appeal over Amazon tax ruling

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The European Commission appealed in 2021 to the European Union's highest legal body, the European Court of Justice.

A top EU court rejected Thursday Brussels' appeal against a ruling blocking its bid to force Luxembourg to recover 25 million euros

(\$272-million) in back taxes from Amazon.

The ruling, the final word in the case, was a blow not just to the European Commission but to the EU's competition commissioner, Margrethe Vestager.

"The Court of Justice confirms that the Commission has not established that the tax ruling given to Amazon by Luxembourg was a State aid that was incompatible with the internal market," the [court](#) said in a statement.

"In its judgment handed down today, the Court of Justice rejects the appeal brought by the Commission," it added.

Amazon welcomed the ruling, but it was denounced by campaigners.

Vestager returned to her post as commissioner this week after an unsuccessful run for the EU's lender, the European Investment Bank (EIB). Spanish economy minister, Nadia Calvino, was appointed to that post.

It was Vestager who in 2017 accused Luxembourg of handing tax privileges to the internet retail giant that amounted to illegal state aid.

The case hinged on the belief that a tax deal between Luxembourg and Amazon in 2003 constituted illegal "state aid", giving the company an unfair advantage over competitors.

But in May 2021, the EU General Court had found "no selective advantage" had been given to the firm by the small EU Duchy.

The commission, the EU's powerful anti-trust authority, then appealed in July 2021 to the European Union's highest legal body.

An Amazon spokesperson welcomed the [court ruling](#) "which confirms that Amazon followed all applicable laws and received no special treatment".

Call for tax reforms

Anti-poverty campaigners Oxfam, however, hit out at the court's decision.

"Amazon got an early Christmas present this year," said Oxfam's EU tax expert, Chiara Putaturo, calling on the EU to work on "real" tax reforms.

"It can start by not looking the other way when it comes to tax havens within its borders allowing companies to sidestep their tax bills through empty offices."

Luxembourg has historically been used as a hub for multinationals seeking lower tax bills.

The EU has had trouble defending its tax decisions in the past, losing cases against Apple and Starbucks.

But Brussels might yet win a reprieve in the long-running legal saga with Apple.

The ECJ's top legal advisor last month recommended scrapping a previous Apple victory against Brussels in a 13-billion-euro tax case.

One of the landmark battles between the commission and big tech, it dates back to 2016 when the EU accused Ireland of allowing Apple to escape billions of euros in taxes.

A final decision by the ECJ is expected within a few months, but the

judges are not bound by the advisor's opinion.

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