

Silicon Six' accused of avoiding almost \$278bn in US corporation taxes over 10 years

Analysis finds Amazon, Meta, Alphabet, Netflix, Apple and Microsoft averaged 18.8%, compared with 29.7% US average

The big American tech firms known as the "Silicon Six" have been accused of paying almost \$278bn (£211bn) less corporate income tax in the past decade compared with the statutory rate for US companies making the same profits.

Amazon, Meta, Alphabet, Netflix, Apple and **Microsoft** generated \$11tn of revenue and \$2.5tn of profits over the past 10 years.

Yet they paid an average 18.8% in combined national and federal corporation taxes, compared with an average 29.7% in the US, according to the Fair Tax Foundation (FTF), which said the Silicon Six had "hardwired" tax avoidance into their business models. Analysis by the not-for-profit organisation found that if one-off repatriation tax payments in the US connected to historical tax avoidance were excluded, the average corporate income tax contribution of the six firms fell to 16.1% over the past decade. The companies had also inflated their stated tax payments by \$82bn over the same period by including contingencies for tax they did not expect to pay, the report claimed. Paul Monaghan, the chief executive of the FTF, said: "Our analysis would indicate that tax avoidance continues to be hardwired into corporate structures. The Silicon Six's corporate income tax contributions are, in percentage terms, way below what sectors such as banking and energy are paying in many parts of the world."

Monaghan pointed to "aggressive tax practices" such as the contingency tax positions, while the companies also exerted "enormous political influence as well as economic power", spending millions of dollars on lobbying governments.

The report comes as the US tech companies' influence has been highlighted by the **presence of their bosses** including Amazon's Jeff Bezos, Apple's Tim Cook and Meta's Mark Zuckerberg at Donald Trump's second inauguration.

A significant tax cut for such companies has reportedly been at the heart of discussions with the UK in its attempts to secure lower tariffs on its products exported to the US. Monaghan said that much of the Silicon Six's overseas revenue was subject to low-level rates of corporate income tax in the US via a tax break for foreign-derived intangible income. FTF said overseas sales were also subject to lower rates of income tax because of a combination of lower profit margins and booking profits in low-tax jurisdictions. Netflix had the lowest rate of tax actually paid compared with profit booked, at 14.7%, while Microsoft paid 20.4%. FTF said Amazon had the worst tax conduct based on the factors such as the total amount of tax paid and "obvious profit shifting" – such as booking a sizeable portion of its UK income in low-tax Luxembourg. However, Amazon's corporate tax rate was 19.6%, well ahead of Netflix, Meta (15.4%) and Apple (18.4%).

A spokesperson for Amazon said its UK retail revenues, associated expenses, profits and taxes were recorded in the UK, and reported and paid directly to HM Revenue and Customs.

They said: "Governments write the tax laws and Amazon is doing the very thing these laws encourage companies to do – paying all taxes due while also investing billions in creating jobs and infrastructure. Since 2010, we have invested more than \$1.2tn in the US and over €250bn [£215bn] in Europe. Coupled with low margins, this investment will naturally result in a lower cash tax rate, particularly when measured as a percentage of revenue."

A spokesperson for Meta said: "We follow international and local tax rules, ensuring that we pay all taxes required in each of the countries where we operate."

A Netflix spokesperson said: "Governments determine tax rules and rates – and companies comply with them. Netflix complies with the relevant tax rules and regulations in every country in which we operate."

Microsoft, Alphabet and Apple were all approached for comment.