

Microsoft and Dell don't get it

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I've [just noted](#) the finance minister of India saying:

The structure and the location of the group entities of the multinational enterprises exploit the favourable tax regime offered by the low tax jurisdictions and tax havens. This has lead to accumulation of wealth and shifting of intellectual capital to these jurisdictions. The role of tax havens and low tax jurisdictions has become an area of great concern for a country like India which is putting its all acts together to mobilize resources to attack on poverty and illiteracy.

Then I read in [Business Week](#) that:

Software and computer companies such as Microsoft Corp., Hewlett-Packard Co. and Dell Inc. are gearing up to fight an Obama administration plan to curb offshore tax avoidance.

The \$15.5 billion proposal in President Barack Obama's 2011 budget targets what the Internal Revenue Service calls the growing problem of so-called transfer pricing. The technique allows companies to reduce their tax bills by transferring intangible property such as patents, trademarks and licenses to offshore subsidiaries.

The Business Software Alliance, a Washington-based trade group that represents technology companies, said it would "educate policy makers" on how the proposal would hurt U.S. companies, jobs and the economy.

The finance minister of India speaks with some authority on the issue. Microsoft and its chairman seek to direct world development through charitable structures whilst diverting attention from the [secretive tax policies](#) that deny tax revenues to places like India by selling them product from places like Ireland so limited local taxable revenues arise.

Is this what Microsoft wants to 'educate' Washington about? Is this to be a lesson in how to move wealth from the poorest to the richest in the world, because that's what these structures are used to do.

And how does that help your charitable objectives Bill? Let's debate it, anytime, anywhere. Your call.