

# Insight: Microsoft use of low-tax havens drives down ta...

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[Great article from Reuters on this issue, here.](#)

I admit I contributed.

As Lynnley Browning, who has just shifted to Reuters from the NYT noted:

*Things were rosy in the giant software company's just-ended fiscal fourth quarter, which produced record sales of nearly \$17.4 billion, a 30 percent increase in after-tax profit, and a 35 percent gain in earnings per share.*

*But for the Internal Revenue Service and foreign tax authorities, things weren't so rosy. Microsoft reported only \$445 million in taxes in the U.S. and other foreign countries, just 7 percent of its \$6.32 billion in pre-tax profit.*

No wonder the US is in a mess.

No wonder the world is.

And until companies like Microsoft pay tax it will be.

So much for BillGates' philanthropy: it's easy to be generous when you don't pay much tax on your source of wealth.

As Browning noted:

*Critics such as Richard Murphy of Tax Research LLP, an anti-poverty and tax research firm based in Britain, argue the U.S. system allows companies to park profits in places where the tax obligation largely disappears. He called Microsoft "a giant tax-planning exercise."*

It sure looks that way to me.

Stand Gates along side Bono, I say.