

Spanish companies say "we won't pay, no way" as they mo..

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[AdvisorOne website](#) (a new one on me) has reported that:

A combination of small-business failures and the move of large corporations toward countries considered tax havens has led to a drop of nearly two-thirds in the corporate taxes collected by Spain, increasing the difficulties already faced by a nation on the verge of a bailout.

Reuters reported Wednesday that although Prime Minister Mariano Rajoy has been reluctant to target businesses in his drive to cut Spain's deficit, its corporations have sought business elsewhere, including in many "tax haven" countries, boosting their own income but lowering the taxes they pay to their home country.

Mariano's austerity measures totaling some 65 billion euros (\$84 billion) have focused primarily on public-sector wage cuts and increased taxes on individuals rather than on business targets. However, some of its most successful corporations have gone abroad seeking profits and lower tax bills. The end result is that Spain is seeing lower revenues despite the corporations' profitability.

How is it being done?:

"Big corporations are paying less and less in taxes. Their profits have not fallen at the same pace that their [Spanish] tax contribution has fallen," said Carlos Cruzado in the report. Cruzado is chairman of the Treasury Ministry trade union GESTHA.

The net result is:

According to the Spanish Tax Agency, the amount of corporate income it took in in 2011 was 11.4%, while individuals surrendered 12.6% of their income to the government.

The evidence seems pretty unambiguous:

The latest report issued by Spain's Observation Group for Social Corporate Responsibility found that, while prior to the financial crisis, 18 of Spain's 35 blue-chip

companies had subsidiaries in territories considered tax havens, in 2010 that number had risen to 30.

The 1% aren't playing their part: that's for sure.

If countries are to get through austerity without social and democratic breakdown there's no doubt at all that tax haven abuse has not just to be curtailed, but ended. I and the Tax Justice Network have argued for a long time that tax havens are a coordinated assault on western democracy. I think the evidence that this is the case is growing steadily.

What's worrying is that even left of centre politicians still don't hear that, loud and clear.