

Just what we needed right now - a Â£5bn tax repayment...

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The [FT has reported this afternoon](#):

The government moved a step closer to paying out up to £5bn of tax refunds to UK-headquartered multinationals, after the European Court of Justice ruled that the historic tax treatment of dividends paid by foreign subsidiaries breached EU anti-discrimination rules.

The European Court of Justice, based in Luxembourg, ruled that “unlawfully levied advance corporation tax must be repaid”, in the latest in a long series of court cases brought by a group of multinationals led by British American Tobacco.

Now I know this has been coming for a long time. I also happen to think the logic of this decision is absurd: the suggestion that within the EU there was no room for individual country tax policy is one now so long discredited when it is so obvious that tax is used as a form of abuse by so many EU member states (like the Netherlands [as revealed in the case of Starbucks](#), yesterday) that this ruling is absurd in its logic. But absurd as it is we'll be giving £5 billion to enrich big business. That's [enough to pay for the UK's universities](#), for a year. Or enough to fund a quarter of the whole UK housing and environment budget. Or over one fifth of the transport budget. And it could stop NHS cuts for a year. But we'll give it to big business instead. And you will lose as a result. Work out the justice in that.