

## Funding the Future

One small change in the law could make Amazon and Google

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Vince Cable continues to dither on tax. [The Guardian reports](#) this morning that:

*The chancellor should use his autumn statement next month to "get to grips" with growing evidence that multinational corporations are "systematically abusing" the UK tax system, business secretary [Vince Cable](#) said on Thursday.*

"Some of them do seem to be avoiding tax systematically - and this is deeply angering," said Cable. "There are tens of thousands of British companies who do pay their tax properly. We have got to get to grips with it." However, he added it was impractical to suggest [George Osborne](#) could act without international support.

Ever the excuse.

And it is an excuse. France is moving against Google and Amazon without international support or law change. They are simply saying they do not believe that these companies are trading into France. They are saying they are trading in France.

That "to" is vital. If the claim that Amazon is in Luxembourg and exports products into the UK when an order is placed on amazon.co.uk is treated as risible, as the PAC did earlier this week, then the UK derived profits of Amazon Luxembourg can be taxed in the UK as it can be deemed to have a branch (or "permanent establishment") here in the UK. The same could be done to Google Ireland. Its profits arising in the UK could be taxed here.

It's time to make that challenge and change the law on tax residence if need be so that we can clearly state that these companies are trading in the UK - as is so very obviously true.

That does not require international consent.

And the same change in the law could also deem offshore PFI companies resident here too: a bonus of ever I saw one. So Cable is dithering when a change in the law is entirely possible. Now, is he going to do it?