

Rolls Royce v Amazon on where you have to pay your tax ..

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I've just been interviewed by BBC Radio Derby on why [Rolls Royce have not paid tax in the UK](#) in the last two years.

They say it's because of R & D credits, but that's only £26 million and the potential UK tax charge was £620 million, so that does not stack.

And they say it's because they have to pay tax where they make their sales. Now this second excuse is odd for two reasons. First, because it's not true. The world does not have destination taxes. And second it's odd because Amazon make a stack of sales in the UK but say they have to pay no tax here because they're based in Luxembourg. That's the exact opposite of the Rolls Royce line.

So someone, somewhere is spinning an inconsistent story. And I hate to say it, but on this occasion it's Rolls Royce. It makes no sense that Rolls Royce is paying tax around the world but not in the UK. None at all. But it does make the case for radical overhaul of the UK tax system.