

The US won't like tax inversions to Europe, of that you...

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As the [FT has noted](#), following reports in Tax Analysts:

A growing number of US companies are set to save hundreds of millions of dollars in tax by relocating to Europe after completing takeovers on the continent.

Some of the biggest mergers and acquisitions so far in 2013 have involved so-called "tax inversions" — where a US acquirer shifts overseas, to Europe in particular, to pay a lower rate. These deals have come at a time when politicians in Washington have been increasing their calls for corporate tax reform.

Of course this is legal. Let's get the obvious point out of the way first. But then let me make the next obvious point which is that the last time that US corporations made a serious habit of this - when inversions to Bermuda peaked in about 2003 - the US took action to stop the abuse.

Don't rule that out this time either, although I'm not predicting how or when: others more expert in the US scene will need to do that.