

Has the US declared tax war on Europe?

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It's gat's off this morning to the Tax Justice Network [who have published a long analysis](#) of a new memo published by the US Treasury that seems to be declaring tax war on Europe as a result of the Apple tax case and the threat of further, similar actions. I'm not going to repeat the TJN analysis here, [I simply recommend reading it.](#)

I do have some thoughts to add though.

First, this looks like the end of the OECD BEPS process before it ever really got started. The threat is all too clear.

Second, this looks like the US saying no to country-by-country reporting as well. The threat is already known.

Third, it seems as if the US is saying no US company can be taxed by anyone but the US, which is the tax residence basis gone mad (to pout it politely). The language used implies nothing else.

Fourth, there appears to be no hint in here of the US showing any signs of cooperation where at present it is refusing to cooperate, on issues like in formation exchange for example. Its position here is preposterous: it demands every nation on earth supply it with data on the taxable income of US citizens and refuses to supply any data in return. The hypocrisy is staggering.

Nor is there, fifthly, any sign in here that the US is going to get to grips with the fact that states like Delaware, Nevada and Wyoming produce secret corporations available for tax abuse behind total veils of secrecy on such an industrial scale that it makes the British Virgin Islands like like a bunch of amateurs. The contribution to tax abuse that these US states makes is enormous.

And sixth, all of this is before the threat of Trump.

The risk of tax war is real.

But given how absurd is the US position the EU would have no choice in that case but to go its own way, impose CBCR, uphold BEPS and strike out against tax havens all on its own. After all, it had to do this in 2001 when George W Bush refused to cooperate with the OECD and eventually the US came back to the table. It will be time for the EU to do so again. Hopefully assisted by the UK. But one can't be sure about that these days.