

Amazon is playing tax games but the UK government is le...

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I was asked to comment on Amazon's tax by a number of journalists yesterday. The [Mirror has a quote](#), but it was not all I said, of course. I said this:

Amazon are still playing games in the UK. In the only accounts they publish for the UK they're declaring less than a quarter of the sale they really make here. It looks that they pay less tax here than they should as a result. And when it comes to the tax rate that they say declare, in the US they say they pay 20% tax. But in the UK, looking at the cash they actually pay over, it's a bit over 6%. So it looks like the UK is short-changed.

But we don't know if that's the whole story, or not. That's because we know that Amazon still also trades through a branch of their Luxembourg operation in the UK. But although they publish the accounts of that company as a whole at Companies House what they don't show is how much of its profit and tax paid relate to the UK sales. So Amazon is still leaving us in the dark.

The tax abuse may not have ended as yet in that case. If we only know about one quarter of their sales, and know they only pay tax here at one third of the rate they do in the US then they are declaring maybe only a twelfth of the tax that we might expect in the UK. That would suggest they should be paying more than £50 million when they are actually paying less than £4 million.

It's time we did know what is happening. And it's time the government took action to stop this opacity happening. That would not be hard. It should require that Amazon publish accounts for all its UK operations on a consolidated basis as if they were one company. That would not be hard to do because Amazon already has to do this as part of its US tax return. Then we'd know the truth. But right now Amazon is leaving us in the dark. And the UK government is letting it get away with this.

I wanted to make the point that it's undoubtedly true that Amazon is playing games. But yet again the UK government is also failing to come to terms with the demands for accounting that meets the public's needs. It really is time that the government did so. It will continue to fail us all, and badly, until it does.