

Double Irish Deception: How Google—Apple—Facebook Avoid Paying Taxes

by [Daniel Wesley](#)

Double Irish: A Tax Haven Strategy You Can't Use

For most average American's, [who earn around \\$42,000 per year](#), paying taxes is something that is done every year. After all, taxes help pay for schools, roads, infrastructure and more. Corporations throughout the country do the same, by not only abiding by the letter of the law, but the intent. This is known as corporate responsibility. However this is not the case with three of the top three U.S. technology companies.

Double Irish Defined

SHADY SHAMROCK SHENANIGANS



HOW THE BIG THREE U.S. TECH COMPANIES ARE STASHING THEIR OVERSEAS POTS O'GOLD

You may wonder how the richest companies in the U.S. keep stuffing their pockets despite a rough economy for the rest of us. For many of them, the secret is in a trick that sends profits overseas rather than being taxed in U.S., even though the companies are based here, helping them pay a fraction of a percentage point on foreign profits through a **scheme nicknamed Double Irish.**

The Double Irish strategy, nicknamed because of the loose corporate tax laws in Ireland, is used by large companies based in the United States but operating all over the world. A loophole in the U.S. tax code allows them to avoid income a tax if that income (profit) was earned by a subsidiary overseas, even though the U.S. based company owns the subsidiary.

How Double Irish Works



The Double Irish strategy needs three companies (or more) to work. [The U.S. company \(company A\)](#) licenses its intellectual property to a subsidiary based in Ireland. This first Irish company (B) is legally based offshore, in a tax haven such as the Bahamas or Cayman Islands for instance. This company licenses the patent rights to a second Irish company (company C). The second company receives income from the first Irish company (B), but its taxes are low because of royalties and fees paid to the first Irish company (B). These royalties and fees are deductible expenses, so no taxes are paid on them. The U.S. company doesn't pay any Federal taxes on the income from the Irish companies because the earnings were not made in the U.S.

The Cost of Double Irish



PUT TO A GOOD USE?

Collectively,
Apple, Facebook & Google
have **saved about \$8 billion** in recent years.

How might that money
have been put to use
here at home?



As we're enduring
massive federal bud
cuts, that money co

Pay for the federal
government's entire share of
the children's health insurance
program, which covers about

4 Million Kids



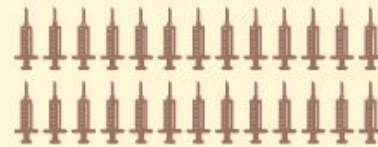
=
\$ 200,000



=
\$ 200,000

Provide immunization
through age 6 for

6.5 Million Kids



Fund the salaries of nearly

200,000

elementary school teachers



=
\$ 20,000



=
\$ 30,000

Buy a year's worth of groceries

770,411

families of four; that's more
than the population of C



Pay for the entire
California highway patrol for

4 Years



In recent years, three of the top U.S. tech companies have saved over \$8 billion dollars in taxes. Had they paid their taxes like the rest of us, [4 million children could have health insurance](#), 6.5 million children could be vaccinated, 200,000 elementary teachers could be hired, a year's worth of groceries could be purchased for 770,416 families, and the entire California Highway Patrol could be funded for four years.

What Double Irish Means For Your Family

WHAT WOULD THAT MEAN FOR YOUR FAMILY?

The average American takes home about \$37,000 after taxes, but what if we were all paying our taxes like Apple does? Paying a 0.7% rate would save you about \$3,575.

That's enough for a family of four to...



Fly round trip to
Paris



Increase what you spend on clothes by about

30%



Pay off a new,

\$25,000 car in about three and a half years



Save up a down payment on a

\$175,000 home

While you're busy working hard for your paycheck only to see a huge chunk of it head south to the tax man, billionaire corporations are pocketing millions with a tax-avoidance strategy.

DO YOU THINK THAT'S FAIR?

If every American paid an equivalent tax rate of 0.7%, the average family would have an extra \$3,575 per year to spend. Vacation? Pay off a car loan? Spend more? Maybe even save for a down payment on a house? All these options would be available to you. Oh, but taxes fund things like roads, clean air and water, public education, national defense, and legislation that protects individual freedoms. So why don't corporations have to pay? That's a good question.



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