

Steve Wozniak: Apple's tax avoidance is ethically wrong

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Apple co-founder Steve Wozniak told a conference in Londonderry that he thought it was "ethically wrong" that Apple did not pay more in tax.

Lawmakers in both London and Washington have recently laid into Apple for its use of a complex web of company registrations, including in Ireland, to reduce tax payments.

Wozniak – who co-founded Apple with the late Steve Jobs in 1976 – said he didn't blame the management of Apple for the low rates of tax the company pays across its international operations. "Apple is not to blame – the system is to blame," he said during a visit to Northern Ireland yesterday.

Governments should change the tax system so that the burden between corporations and individuals is fairer, argued Wozniak.

"Apple thinks it must have a strategy to maximise profits," he said. "That is ethically wrong. But for a corporation there is no such thing as corporate ethics. As a result, big companies including Apple pay only the tax that the system requires them to pay. That is because the corporations make sure it works that way."

Wozniak proposed a fundamental change to the system of corporation tax globally to ensure large companies pay their way. "It's not fair that businesses are in law treated the same way as people, but not in tax. Companies only pay tax on profits," he said.

If individuals were permitted to adopt the same approach they could claim tax relief on their personal and household costs and only pay tax on the small amount that was left, said Wozniak.

A more equitable system, he suggested, would be if companies paid tax on their revenues, in the way that individuals pay income tax.

Wozniak added that Apple's share price is "incredibly low" at present, given the US corporation's multi-billion dollars of reserves, most of which are held abroad.

"Maybe not having the cash in the US is the problem," he suggested with what seemed like the hint of a mischievous grin.

Taoiseach Enda Kenny has brushed off attacks on the Republic's tax regime for helping multinationals avoid billions in tax – insisting he was backing plans for global tax transparency and an end to tax havens. David Cameron is urging the rest of the EU to back global action against what he has described as "staggering" losses to national exchequers.

The issue was on the latest EU summit agenda at the request of the UK, France and Germany, and European progress would boost next month's G8 gathering in Enniskillen which host Mr. Cameron will use to press the case further.