

THE IRISH TIMES

US media reacts positively to ending of 'double Irish' scheme

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The Government's decision to end the controversial "double Irish" tax arrangement used by multinationals to slash their tax bills has received prominent coverage in the US news and financial media.

The *New York Times*, the *Wall Street Journal* and [Bloomberg](#) along with business magazines *Fortune* and *Forbes* covered the budgetary announcement, drawing links to the increasing international pressure on governments to clamp down on tax avoidance by companies.

The articles referred to the use of the tax loophole by American companies including [Apple](#), [Google](#), LinkedIn and other large multinational and technology companies.

The *Wall Street Journal* said in a report headlined "Dublin moves to block controversial tax gambit" that [Ireland](#) was "targeting a manoeuvre Apple and other companies have used to minimise taxes - a move aimed at countering international criticism".

The *New York Times* quoted a US law professor at the University of Southern California Edward Kleinbard describing the measure as a "canny strategic move" by the [Irish Government](#) to ease international concerns and at the same time preserving "its extraordinarily low corporate tax rate".

Another academic, accountancy professor Crawford Spence at Warwick Business School in Coventry, [England](#) was cited by the newspaper as saying that the decision to phase out the tax device was "an apparent capitulation" by the Government.

"However, I am sceptical as to how big a deal this really is," Spence was quoted as saying. "Ireland, along with other countries such as [Luxembourg](#) and the [Netherlands](#), are at the lunatic fringe of the corporate tax regimes."

In a story headlined "Ireland closes notorious 'Double Irish' tax loophole," *Fortune* magazine described the end of the scheme as "a landmark in the clampdown by governments across the world on tax dodges by both individuals and companies".

Forbes picked a drinking analogy for the headline on its report on the story: "Ireland corks Double Irish tax deal, closing time for Apple, Google, [Twitter](#), [Facebook](#), "

Robert Wood, an editorial contributor on taxes and litigation to the magazine, said that the "liberal phasing-in" of the "double Irish" abolition from 2015 to 2020 "may make the US and EU mad but it seems a shrewd move to keep the Irish economy moving".

"Besides there will be new tax deals to be had in Ireland," he wrote, referring to the plans announced by Minister for Finance [Michael Noonan](#) to introduce a "patent box" type of tax break to encourage companies to hold their intellectual property in the country and invest in research and development facilities in Ireland.

"Tax people will be scrambling to create new structures, but there's some breathing room," wrote Mr Wood. "And when new structures are developed, I'll bet Ireland will have a role."