

Clark Armitage Comments on Adverse EU State Aid Ruling and Apple

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Caplin & Drysdale's J. Clark Armitage spoke with *Worldwide Tax Daily* concerning an investigation initiated by the European Commission into whether EU state aid rules were violated by transfer pricing tax rulings that Ireland gave to Apple Operations Europe and Apple Sales International in 1991 and 2007. For the complete article, please visit *Worldwide Tax Daily's* website (subscription required).

Excerpt taken from the article "Adverse EU State Aid Ruling Could Have Material Impact on Apple" by William Hoke for Worldwide Tax Daily.

J. Clark Armitage of Caplin & Drysdale Chtd. said both Ireland and Apple appear to have strong arguments in defense of the tax rulings. "If you accept their structure and the way Ireland has allowed Irish companies to be treated as nonresident and only taxable on their Irish income, the amount of income attributed to the Irish branch would seem to be modest," Armitage said. He added that the transfer pricing treatment under review does not appear to be aggressive. "Apple reported relatively high returns on its local manufacturing and distribution functions," Armitage said.

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