

## Apple must pay 13 billion euros in back taxes, EU's top court rules

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### KEY POINTS

- Europe's top court on Tuesday ruled against Apple in the tech giant's 10-year court battle over its tax affairs in Ireland.
- The case stems back to 2016 when the European Commission ordered Ireland to recover up to 13 billion euros (\$14.4 billion) in back taxes from Apple.
- The Commission said at the time Apple had received "illegal" tax benefits from Ireland over the course of two decades.



*Omar Marques | Sopa Images | Lightrocket | Getty Images*

Europe's top court ruled against Apple on Tuesday in the tech giant's 10-year court battle over its tax affairs in Ireland. The case stems back to 2016 when the European Commission ordered Ireland to recover up to 13 billion euros (\$14.4 billion) in back taxes from Apple. The European Court of Justice's decision comes hours after the company unveiled [new products](#) to revitalize its iPhone, Apple Watch and AirPods lineups. Apple shares were down about 1%.

[In a statement](#), the Irish government said that the Apple case "involved an issue that is now of historical relevance only," adding that its position has always been that it "does not give preferential tax treatment to any companies or taxpayers."

Apple said in a [filing on Tuesday](#) that it will incur a one-time income tax charge of about \$10 billion in its fourth fiscal quarter ending Sept. 28, 2024.

The government noted it will now begin the process of transferring the assets in the escrow fund to Ireland.

“This case has never been about how much tax we pay, but which government we are required to pay it to. We always pay all the taxes we owe wherever we operate and there has never been a special deal,” an Apple spokesperson said. “The European Commission is trying to retroactively change the rules and ignore that, as required by international tax law, our income was already subject to taxes in the US.”

### **The case to date**

In 2014, the European Commission, the European Union’s executive arm, opened an investigation into Apple’s tax payments in Ireland, the tech giant’s headquarters in the EU.



**European Union antitrust chief Margrethe Vestager holds a press conference after Europe’s top court ruling on Apple’s fight against an order by EU competition regulators to pay a record 13 billion euros in back taxes to Ireland, in Brussels, Belgium September 10, 2024.**

*Johanna Geron | Reuters*

[The commission in 2016 ordered Dublin](#) to recover up to 13 billion euros (\$14.4 billion) in back taxes from Apple, at the time saying that the tech company had received “illegal” tax benefits from Ireland over the course of two decades.

[Apple and Ireland appealed the commission’s decision in 2019](#), and in 2020 the EU General Court sided with the U.S. tech giant. The [EU’s second-highest court annulled the commission’s 2016 decision](#) and said that the executive arm did not prove that the Irish government had given Apple a tax advantage.

The commission in turn appealed the General Court’s decision, sending the litigation up to the ECJ.

The ECJ on Tuesday set aside the General Court’s decision and confirmed the commission’s original 2016 ruling.

The case, which first began under outgoing competition chief Margrethe Vestager, highlights the continued conflict between U.S. tech giants and the EU, which has sought to tackle issues from data protection to taxation and antitrust.

This was not the last time that Apple found itself in the EU's crosshairs. Most recently, the commission hit [Apple with an antitrust fine of 1.8 billion euros](#) in March for abusing its dominant position in the market for the distribution of music streaming apps. Separately, the EU's sweeping [Digital Markets Act](#) has forced [companies](#) to change some of their practices in Europe. The commission has opened [various investigations under the DMA into tech giants](#), including Apple, Alphabet and Meta.