

Oz Treasurer Attempts to Deny the Undeniable Regarding Government Revenue

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international / prose / post

Conservative Oz treasurer Scott Morrison, politically appointed by the new unelected PM Malcolm Turnbull, an undisguised elitist, former merchant banker and former MD of Goldman Sachs Australia, stated plainly in one of his first media interviews in his new role that “*we do not have a revenue problem ...*” the fact is we do have a MAJOR revenue problem, Mr Morrison and here’s why.



Elitist lackeys, PM Malcolm Turnbull with Treasurer Scott Morrison

However, the population requires educating on a simple matter first, GLOBALISATION.

Generally speaking the masses haven’t a clue what globalisation actually veils and allows. It is a means by which multi-national corporations exploit cheap international labour, which creates massive employment at home and destroys local small to medium businesses/industries. Furthermore, it allows massive tax-avoidance by shifting profits to international tax havens thereby starving local governments of \$billions in revenue per annum; collectively, multi-nationals actually deprive governments of \$trillions which they have reaped from host nations, particularly Australia. It should also be noted that the primary beneficiaries of globalisation are mega-corporations and transnational companies that not coincidentally have designed and engineered the means (globalisation) by which they increase profits at the expense of sovereign and emerging nations and local populations. The reason they are able to rob and exploit the system is that (bought, corrupt) governments do not legislate to close loopholes and prevent outrageous abuses. Why? In a word, corruption, which translates as corporate serving governments, whether of the left or right is immaterial as both major parties are beholden to the rotten forces that install them in power with massive fund contributions and/or mass media support, isn’t that right Mr ‘plutocrat’ Murdoch, who has been instrumental in the making and breaking of numerous leaders in Australia since he destroyed Gough Whitlam?

Large corporations and banks today literally buy politicians in major parties with ‘campaign funds’ and other legal bribes. For their part, politicians realise they have no chance to fulfil their narcissistic dreams (Mr Turnbull) of becoming national leaders without corporate and mass media support so the practice today is entrenched, notwithstanding it is undemocratic and unfair to the extreme.

People may wonder why both major parties lie through their teeth to gain power and then

immediately back stab and attack the public that installed them in office; well, after viewing the short video and reading the article below wonder no more. Perhaps AWARE populations may once again reclaim their nations by voting for real representative independents at every election -- regardless of who is voted for, one should NEVER vote for OWNED, elite serving, major parties.

Article from Ars Technica with embedded links to Bloomberg and other respected mainstream news sources follows -- I would add that Google is cited as an example but is only one of MANY transnational corporations that utilise these immoral, exploitative and nation-destroying practices:

After moving money around, Google pays tiny amount in taxes

by Cyrus Farivar

Google continues to expand its use of legal-but-questionable tax shenanigans as a way to minimize its overseas tax burden.

According to [Irish media reports Friday](#), in 2013 Google Ireland Limited paid an effective tax rate of just 0.16 percent on €17 billion (\$22.8 billion) revenue, which came to a mere €27.7 million (\$37.2 million). Google paid €11.7 billion in "administrative expenses," which *The Irish Times* reports "largely refers to royalties paid to other Google entities, some of which are ultimately controlled from tax havens such as Bermuda."

David Wilson, a London-based Google spokesman, [confirmed](#) the Irish figures to Ars.

Google and many other tech firms have recently come under [increased scrutiny](#) for using a quirky Irish tax law [arrangement](#) that [allows](#) organizations to incorporate in Ireland but legally route money through other [jurisdictions](#), such as the Netherlands. It's all done in the name of drastically reducing tax burdens. The general term is called "transfer pricing," although specific tactics involve colorful names like the "Double Irish" and the "Dutch Sandwich."

"Technically legal"

On Thursday, President Barack Obama [decried a related practice, known as tax inversion, in an interview on CNBC](#).

"This is basically taking advantage of tax provisions that are technically legal—but I think most people would say if you're doing business here, if you're basically still an American company, but you're simply changing your mailing address in order to avoid paying taxes, then you're really not doing right by the country and by the American people," he said.

"Keep in mind that what we're trying to do is to say that if you simply acquire a small company in Ireland or some other country, to take advantage of the low tax rate, you start saying, 'We're now magically an Irish company' despite the fact that you may only have a hundred employees there," the president continued. "And you've got 10,000 employees in the United States. You're just gaming the system. You are an American company. You continue to benefit in all kinds of ways from being an American company."

Google declared [\\$60 billion worth of revenue](#) in the United States in 2013. Google's effective tax rate in the United States has fallen dramatically from 21 percent to 15.7 percent in recent years as the company has broadened its use of overseas tax benefits.

As Google [stated](#) in its 2013 annual report, "Our provision for income taxes and our

effective tax rate decreased from 2012 to 2013, primarily as a result of proportionately more earnings realized in countries that have lower statutory tax rates as well as the federal research and development credit related to the American Taxpayer Relief Act of 2012."

Obama conceded that this tactic was legal, but it might not be a practice that Google should follow.

"People are paid to maximize profits," he said. "But people are also paid to be good corporate citizens. They're also paid to make sure that they're thinking about [that] in addition to shareholder value. How do you grow a company over the long term? And this kind of strategy, I think, undermines people's confidence in how companies are thinking about their responsibilities to the country as a whole."

Last year, the Organisation for Economic Co-operation and Development (OECD)—a group of the world's top economies—[decided](#) that it was time to crack down on international tax shenanigans through meaningful reform.

"I think the way Google and such companies use the Irish tax system to reduce their global tax bill to negligible levels is unfair, particularly on more domestically centred firms," [Sheila Killian](#), a finance lecturer at the University of Limerick, told Ars. "It's important to stress that this has nothing to do with Ireland's low corporate tax rate—this is about firms channeling billions through the country and out the other side. Very little benefit to Ireland, very little connection to real economic activity."

Bermuda triangle of taxation

Bloomberg [first described](#) the process of the Double Irish in 2010. As [we've reported](#), here's how the Double Irish works: a company sells or licenses its foreign rights to intellectual property developed in the United States to a subsidiary in a country with lower tax rates. The result? Foreign profits that come from that tech—like the rights to Google's search and advertising technology, effectively the keys to the kingdom—are now attributed to that offshore subsidiary rather than the American headquarters. The subsidiaries have to pay "arm's length" prices for those rights, just like an outside company would.

Bloomberg [concluded](#), "Because the payments contribute to taxable income, the parent company has an incentive to set them as low as possible. Cutting the foreign subsidiary's expenses effectively shifts profits overseas."

So who does Google license its tech to? A fun little company called [Google Ireland Holdings](#), headquartered in Bermuda. Bermuda, of course, has zero corporate income tax. So as a Bermuda company, Google Ireland Holdings pays none.

Google Ireland Holdings, in turn, owns Google Ireland Limited. This holding company based in Bermuda is owned by [yet another Bermuda-based subsidiary](#), Google Bermuda Unlimited. It is managed by [Conyers, Dill, and Pearman](#), a law firm specializing in such offshore transactions. That "unlimited" corporation means that the company is not required to disclose income statements, balance sheets, and other financial information.

But getting money tax-free from Ireland to Bermuda requires a stopover in the Netherlands (the "Dutch Sandwich" part) at Google Netherlands Holdings B.V. This entity, according to [Bloomberg](#), "pays out about 99.8 percent of what it collects to the

Bermuda entity, company filings show. The Amsterdam-based subsidiary lists no employees.”

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<http://arstechnica.com/tech-policy/2014/07/after-moving-money-around-google-paid-tiny-amount-in-european-taxes/>

Jungle Drum Prose/Poetry. <http://jungledrum.lingama.net/news/story-1895.html>