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[Press release](#) | 19.09.2018

European Commission rule Luxembourg did not give selective tax treatment to McDonald's

Tax avoidance

The European Commission has today ruled that the non-taxation of certain McDonald's profits in Luxembourg did not constitute illegal State Aid, as it is in line with national tax laws. However, Commissioner Vestager did criticise Luxembourg's tax laws, specifically the Double Taxation Treaty with the US which has enabled McDonalds to avoid paying tax by using a complex franchising system enabled by the home state of Commission President Juncker. The ruling demonstrates the need for the EU to press ahead with current proposals on changing tax rules.

Molly Scott Cato, Greens/EFA spokesperson on finance and economic affairs in the European Parliament comments:

"While the Commission has ruled that Luxembourg did not breach state aid rules, their investigation has shown that loopholes exist which allow companies like McDonalds not to pay taxes for years. The loophole examined in this case still exists and is just one example of how large multinationals can engage in tax avoidance.

"President Juncker may have been 'lovin' it' while he was Prime Minister of Luxembourg but it is clear that the citizens of Europe cannot stomach any more of this anti-social tax avoidance by some large corporations who dominate their daily lives. There are proposals on the table right now to counter tax avoidance by multinationals that are being blocked by countries like Luxembourg. All EU countries must show solidarity and prove that they are committed to ending multinational tax avoidance now."

The Greens/EFA group also welcomed the victory by Commissioner Vestager in the **Apple-Ireland** case, following [news last night](#) that Apple had agreed to pay the €14bn in back-tax that was ruled to be illegal state aid.

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