

# THE IRISH TIMES

## Business

# Microsoft's Irish subsidiaries paid close to \$50bn in dividends to parent in 2025

Software giant's Irish operations report strong increase in profit after tax even as group contends with higher corporation tax rates



Microsoft took close to \$50 billion in dividends from its Irish businesses last year. Photograph: John Mabanglo / EPA

Ciara O'Brien

Fri Apr 10 2026 - 01:00 • 3 MIN READ

[Microsoft's](#) Irish entities paid close to \$50 billion (€42.7 billion) in dividends to their US parent company last year, newly filed accounts for the Irish businesses show.

Microsoft Round Island One, a subsidiary of the global tech giant that holds investments in other companies in the Microsoft group, paid \$48 billion in dividends to Microsoft Corporation, for the year to June 30th, 2025. That was more than double the \$23 billion it paid in the previous year, and well ahead of the \$38 billion paid in 2023.

In a note on the accounts, the Microsoft Round Island One said another \$16 billion in dividends had been paid after the end of the financial year.

The company's tax bill for the year amounted to \$2.8 million. Microsoft Round Island One's income comes primarily from intercompany dividends received from another Irish-based entity, Microsoft Ireland Research, which pays [corporation tax](#) in Ireland on its profits. As such, a large part of Microsoft Round Island One's income is exempt from further taxation.

Separate accounts for Microsoft Ireland Research recorded \$36 billion in profit after tax, up almost 25 per cent from \$28.9 billion in 2024.

Revenue from royalties paid to Microsoft Ireland Research, which licenses the rights to assets owned and developed by the company to others within the group, rose to \$76 billion, up from \$62 billion a year earlier.

ADVERTISEMENT

Ad removed. [Details](#)

The unit paid \$5.4 billion in corporation tax, with the company subject to the higher 15 per cent corporation tax rate under the OECD's Pillar Two arrangements.

Wage costs at Microsoft Ireland Research also rose as the company added to its staff. By the end of June 2025, the entity employed 1,463 people, up from

1,283 a year earlier. Staff costs were \$293.3 million, an increase of almost \$50 million on the \$247.3 million recorded in 2024. That's a staff cost – including pension, social insurance and share-based payments – of more than €200,000 per person.

A further \$4 billion in dividends was paid to the US multinational by another Microsoft entity, **Microsoft Ireland Operations** Limited after the end of the financial period.

Revenue at **Microsoft Ireland Operations** Limited, which is Microsoft's main Irish subsidiary, rose by more than \$13 billion last year as demand for its products increased. The accounts showed revenue came to \$93.1 billion from \$80 billion a year earlier. Pretax profit was \$5.2 billion, up from \$4.3 billion a year earlier.

**Microsoft Ireland Operations** Limited markets, sells and distributes hardware and software products and services for Europe, the Middle East and Africa, and the Asia-Pacific region. The business has grown steadily.

Last year it sold \$18.5 billion for products, with the balance of \$74.5 billion accounted for by services such as intelligent cloud and productivity. Sales to Italy of \$788 million were also included in the figures.

ADVERTISEMENT

Cost of sales fell to \$3.2 billion from \$3.9 billion in 2024.

The subsidiary also received a capital injection of \$3.7 billion during the year, with another \$10.7 billion also approved. **Microsoft Ireland Operations** Limited also approved additional funding of \$17.1 billion for its subsidiaries.

The company's staff costs increased to \$522 million as employee numbers rose by more than 100 to 2,934 – an average of €178,0000 per person.

The entity paid more than \$838 million in corporation tax for the year, with some of that figure attributed to Pillar Two tax changes.

Microsoft's financial arm, Microsoft Global Finance, made a loss of \$52 million for the year, with the loss narrowing from the previous year's \$1.9 billion deficit as interest rates edged up.

– From maternity leave to remote working: Submit your work-related questions [here](#)



Listen to [Inside Business](#) podcast for a look at business and economics from an Irish perspective



Sign up to the [Business Today](#) newsletter for the latest news and commentary in your inbox



[Ciara O'Brien](#)

Ciara O'Brien is an Irish Times business and technology journalist



Microsoft

Corporation Tax