

# Israel Seizes \$120 Million in Palestinian Tax Money

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The Israeli government has announced that it [intends to keep \\$120 million](#) in Palestinian tax money it has collected, and will give it to the Israel Electric Corporation (IEC) instead of the Palestinian Authority.

The exact reason for the seizure remains disputed, depending on which official statement you believe. In some cases, Israeli officials have spun it as revenge for the successful UN recognition of Palestine, while others insisted it had something to do with Iran, and still others insisted it was simply about paying back the power company for debts accrued.

Under the terms of past agreements, Israel collects certain taxes of the behalf of the Palestinian Authority, and forwards them on. In practice Israel [ends up withholding](#) the money regularly at the slightest provocation, which means such moves hardly come across as "retaliation" so much as business as usual.

Initially founded in 1923 as the Palestine Electricity Corporation, the IEC is now a state-granted monopoly and is also 99.85% owned by the Israeli government.

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