



FRANCE - March 2019

FRANCE UNVEILS PLAN TO TAX INTERNET GIANTS..... 1

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The French government unveils plan to implement a three percent tax on the French revenue of internet giants like Google, Amazon and Facebook.

The French government on Wednesday unveiled plans to slap a 3 percent tax on the French revenues of internet giants like Google, Amazon and Facebook.

The bill is an attempt to get around tax avoidance measures by multinationals, which pay most of their taxes in the EU country they are based in — often at very low rates. That effectively means the companies pay next to no tax in countries where they have large operations.

The tax will apply to digital companies that have global revenues of over 750 million euros (\$848 million), and French revenue over 25 million euros. That will help protect startups, Finance Minister Bruno Le Maire said in a news conference.

About 30 companies, mostly based from the U.S, but also from China and Europe, will be affected.

France is set to be the first European country to implement such a tax as the bill presented Wednesday in a cabinet meeting is likely to pass in the coming months in parliament, where French President Emmanuel Macron's party has a majority.

Le Maire estimated the tax will raise about 500 million euros (\$566 million) a year this year but that should increase "quickly."

He said the tax will not affect companies directly selling their own products online. It will mostly affect companies that use consumers' data to sell online advertising. It will also apply to online services companies like Airbnb and Uber.

"This is about justice," Le Maire said. "These digital giants use our personal data, make huge profits out of these data ... then transfer the money somewhere else without paying their fair amount of taxes."

Le Maire quoted figures from the European Commission, the EU executive body, showing that the major digital tech companies pay on average 14 percentage points less tax than other European companies.

France decided to implement the digital tax after a similar proposal at the European Union level failed to get unanimous support from member states.

Le Maire said he would now push for an international deal by the end of the year among the countries of the Organization for Economic Cooperation and Development, a Paris-based forum made up mostly of developed nations.

The Computer and Communications Industry Association criticized the French measure, saying it would ultimately lead to higher costs for French firms and consumers.

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"So-called digital companies are, contrary to claims, not under-taxed and they should not be arbitrarily targeted," said CCIA Europe's vice president, Christian Borggreen.

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