

# Sarkozy wants Internet giants to pay tax in France

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France's incumbent president Nicolas Sarkozy (L) takes part in a radio show on the French radio station network Europe 1, in Paris. Sarkozy said on Wednesday he wants "Internet giants" to pay tax in France, shortly before he was due to meet the founder of the micro-blogging site Twitter.

French President Nicolas Sarkozy said on Wednesday he wants "Internet giants" to pay tax in France, shortly before he was due to meet the founder of the micro-blogging site Twitter.

"It is unacceptable that they have a turnover of several billion euros in France without paying tax," he told Le Point magazine, adding that the French government should consider taxing online advertising revenues.

French lawmakers last year rejected plans for a proposed tax on online advertising revenues, fearing the project would hurt small local

companies more than global Internet giants like Google, Facebook or Twitter.

A spokesman for Google hit back, arguing that "the Internet offers a wonderful opportunity to generate growth and jobs in France".

Google cited a report from management consultant McKinsey that said Internet companies contributed 60 billion euros (\$78 billion) to the French economy in 2009, or 3.2 percent of output, and could create 450,000 jobs by 2015.

"This positive contribution would have a better chance of coming about in an environment that is supportive of the web in France and of investment in the sector. Public policy should support this," the spokesman argued.

The president's comment came as Twitter co-founder Jack Dorsey was in Paris to meet with French presidential candidates, including Sarkozy.

Sarkozy urged Twitter to follow other Internet companies and base their European operations in France, the president's office said.

"Jack Dorsey responded positively to this invitation," it added.

Sarkozy argued that France should not "only be a consumer of digital products, but a creator of digital technology and innovative methods" and pointed out that both Google and Microsoft had recently opened offices in France.

Earlier Dorsey had met the front-running Socialist candidate Francois Hollande and with centrist Francois Bayrou, and he met Sarkozy later in the day.

Hollande's campaign team said the candidate and Dorsey discussed the development of innovative companies in France and the Internet sector.

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