

US opposes taxes on big tech firms

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Treasury Secretary Steven Mnuchin said Washington "firmly" opposes any new tax plan that singles out large technology companies

The United States said Friday it "firmly opposes" any new tax aimed at big technology firms, in a sharp challenge to a European proposal aimed at American digital titans.

US Treasury Secretary Steven Mnuchin issued the statement days ahead of an EU summit debating the tax proposal.

"The US firmly opposes proposals by any country to single out digital companies," Mnuchin said.

"Some of these companies are among the greatest contributors to US job creation and economic growth."

Mnuchin added that US officials "fully support international cooperation to address broader tax challenges arising from the modern economy and to put the international tax system on a more sustainable footing."

The statement was issued in response to an Organisation for Economic Cooperation report on taxation of the digital economy, but appeared clearly aimed at the proposed EU plan.

EU officials have drafted the proposed digital tax that would hit US tech giants like Facebook, Amazon and Google amid accusations they divert European earnings to low-tax countries.

The proposal calls for large tech firms to be taxed on overall revenue in the bloc and not just on their profits, at a rate somewhere between two percent and five percent, according to a draft obtained by AFP.

The plan will target companies with worldwide annual turnover above 750 million euros (\$924 million), such as Airbnb, Facebook, Google, Twitter and Uber.

Britain, France, Germany, Italy and Spain—the EU's five G20 members—are pushing first for a European solution that can set an example for the rest of the world.

But for the plan to become reality, it must be unanimously approved by all EU countries, and it remains to be seen whether the big states can win the support of smaller ones that offer tax breaks to the tech titans.

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