

# Chile wants to start taxing companies like Uber and Netflix

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Platforms such as Uber, Netflix and Spotify pay no taxes in Chile because they have no physical presence there

Chile wants to start taxing digital giants like Uber, Spotify and Netflix to level the playing field for their more traditional counterparts, a minister has said.

"It is not fair that for the same service some pay taxes and others no," Finance Minister Felipe Larrain told reporters on Thursday in an area of Santiago that is home to traditional shoe manufacturers who are struggling to compete with online rivals.

The idea is for these online players to pay tax and VAT on their earnings in Chile, unless their country of origin has a free trade agreement with Santiago, the minister said.

"We are not trying to resist modernity.. but we can try and ensure that everyone competes on a level playing field," Larrain said.

The proposal is part of a major tax overhaul the government is preparing.

As of now, digital platforms like Uber, Netflix and Spotify do not pay taxes in Chile because they have no [physical presence](#) here.

Uber, technically, is not even legal. Congress is working on a law to regulate its operations.

Larrain said it was a challenge to come up with a way to tax these companies.

One idea is an indirect transaction tax, he said, or a surtax charged to credit cards used for their services.

Larrain said the state could potentially bring in hundreds of millions of dollars with these new taxes.

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