

France urges 'wake-up call' on tax for US web giants

September 6 2018



Europeans haven't managed to agree on how to tax the big hitters

French Finance Minister Bruno Le Maire called Thursday for EU leaders to heed a "wake-up call" on a plan to tax US technology giants, amid signs of growing resistance to the French-led initiative.

"I urge my European counterparts to hear the wake-up call; that they listen to what European citizens want," Le Maire told France 2 television.

The tax, which Paris hopes to implement early next year, targets multinationals which declare their revenues from across the 28-member European Union in a single low-tax jurisdiction, depriving other countries of billions of euros in fiscal revenue.

It would mainly affect US companies with worldwide annual turnover above 750 million euros (\$870 million), such as Facebook, Google, Twitter, Airbnb and Uber.

"European citizens want justice, they want fiscal justice," Le Maire said.

"They don't understand why we allow companies like Google, Amazon and Facebook pay 14 percentage points less in tax than small and midsize businesses, or a European [company](#)," he said.

The tax is expected to be high on the agenda as EU and eurozone finance ministers meet in Vienna this weekend.

But France's proposal, which would require backing by all EU members, appears to be running into resistance.

Germany's Bild newspaper reported Wednesday that Finance Minister Olaf Scholz, who had given his backing to the plan, now believes that "demonisation" of tech giants was "not efficient".

Bild cited an internal ministry note which said that "publicly declaring that companies like Google, Apple, Facebook and Amazon should pay taxes on their revenues is not defensible."

Yet in a press interview Thursday, Scholz denied reversing his stance, while indicating he was considering alternatives.

"There are several proposals, which all have their advantages and disadvantages," he told the Augsburger Allgemeine.

"But it isn't the kind of solution that just comes to you while in the shower one morning," he said.

Asked about Berlin's stance, Le Maire played down the reported divergences.

"The Germans have been at our side since the beginning to start taxing digital giants. I'm convinced they will support us all the way," he said.

© 2018 AFP

Citation: France urges 'wake-up call' on tax for US web giants (2018, September 6) retrieved 26 April 2024 from <https://phys.org/news/2018-09-france-urges-wake-up-tax-web.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.