

# UK unveils draft law to tax tech giants

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It may soon be time for US tech firms to pay more taxes in Britain

Britain on Thursday unveiled draft legislation for a "digital services tax" on global tech giants, which it plans to impose until leading economies reach an agreement on the contentious issue.

The proposed levy, which will be consulted on until September, will

target "large digital businesses" and reflect "the value derived from their UK users", according to the country's finance ministry.

It said the 2.0 percent tax—which it aims to introduce next April—will not apply to [small businesses](#) or those making losses in Britain, in order to protect [start-ups](#).

"This targeted and proportionate digital services tax is designed to keep our tax system in this area both fair and competitive, pending a longer-term international settlement," Jesse Norman, a Treasury minister, said in a statement.

The ministry published the planned bill on the same day France became the first major [economy](#) to impose such a levy, after its parliament passed a law mandating a 3.0 percent tax on internet heavyweights' annual revenues.

French lawmakers approved the measure in defiance of a probe ordered by US President Donald Trump that could trigger reprisal tariffs.

The United States is home to many of the world's biggest tech companies, such as Amazon, Apple, Facebook and Google.

Other leading economies want to plug a gap that has seen many such firms pay next to nothing in tax, despite making huge profits from their consumers.

Britain backs US calls to tackle the issue by reforming international taxation rules through the Organisation for Economic Co-operation and Development (OECD) and the G20.

London has pledged to abandon its new levy once an international agreement has been reached.

Ireland, which provides the European headquarters for many of the big American tech firms, said it "does not comment on another country's tax arrangements" when asked about the French tax.

"Ireland believes that the challenges arising from the digitalisation of the economy are best addressed by finding a sustainable globally agreed solution at OECD level," a [finance ministry](#) spokesman said.

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