

EU aims to tax internet giants at 'two to six percent': France

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The tax-avoidance strategies used by Google, Amazon, Facebook and Apple have cost governments around the world as much as \$240 billion a year in lost revenue, according to the OECD

The EU will soon unveil a plan for taxing major internet companies like

Amazon and Facebook by imposing a levy of two to six percent on revenues in every country where they operate, French finance minister Bruno Le Maire said Sunday.

"The range will be from two to six percent; but closer to two than to six," Le Maire told the Journal du Dimanche newspaper.

The European Commission has said it will present by end March an overhaul of its tax rules, which currently allow US digital economy giants to report their income from across the bloc in any member state.

That leads them to pick low-tax nations like Ireland, the Netherlands or Luxembourg, depriving other nations of their share of the revenue even though they may account for more of a company's earnings.

"The heads of these companies know themselves that this system can't continue," Le Maire said.

Critics say the tax-avoidance strategies used by the tech titans known as GAF—Google, Amazon, Facebook and Apple—deprive EU governments of billions of euros while giving them an unfair advantage over smaller rivals.

The Organisation for Economic Cooperation and Development says such strategies cost governments around the world as much as \$240 billion (195 billion euros) a year in lost revenue, according to a 2015 estimate.

Asked if the proposed rate might be criticised as too low, Le Maire said: "I would rather have a law that can be implemented quickly instead of drawn-out negotiations."

American tech giants appear to believe the European tax revamp is in the cards, with several already announcing pledges to pay more in each

country where they operate as governments step up their fiscal demands.

Amazon said last month that it had settled a major tax claim in France and that it would start declaring all its earnings in the country.

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