

Austria proposes taxing internet giants 5 percent of ad revenue

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Austria is seeking to tax five percent of the digital advertising revenue of internet giants such as Google and Facebook

Austria on Wednesday proposed taxing internet giants such as Google and Facebook five percent of their digital advertising revenue, a higher rate than France and other EU countries are seeking.

Austrian Chancellor Sebastian Kurz said the tax aimed to stop the "unfairness" of internet giants who have until now routed their sales through subsidiaries in low-tax EU members.

The government hopes that the new tax, which still has to be approved by parliament, will bring in 200 million euros (\$225 million) per year from 2020.

It targets businesses with an annual worldwide revenue of at least 750 million euros, of which at least 25 million euros is made in Austria.

In other plans announced on Wednesday, Austria will seek to make registration mandatory for online booking platforms, including home-sharing giant Airbnb.

The current VAT exemption for articles sold online for less than 22 euros will also be abolished as part of the changes.

Early last month, France introduced a bill for a three percent "GAFA tax"—using an acronym for US giants Google, Apple, Facebook and Amazon—on digital advertising, websites and the resale of private data.

Finance Minister Hartwig Loeger said Austria wanted a higher tax rate than that in order to make up for all the years that [internet giants](#) avoided taxes.

Some of the additional money flowing to government coffers will be used to support the digitalisation of Austrian media, he said.

In France, the tax is to be applied retroactively on revenue from January 1, 2019, bringing in 400 million euros to the public purse this year, and 650 million by 2022.

Other countries including Britain, Spain, Japan, Singapore and India are also working on similar schemes.

After an earlier failure to reach consensus at the European Union level, France says it is now seeking "common ground" on the issue with fellow members of the Organisation for Economic Cooperation and Development (OECD) in order to reach a worldwide accord by next year.

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