

G20 countries eye tax policy for internet giants: Nikkei

30 May 2019



The planned tax policy will target firms like Google, Apple, Facebook and Amazon

G20 countries are planning a new tax policy for digital giants like Google, based on the business a company does in a country, not where it is headquartered, the Nikkei business daily said Thursday.

The basic policy is likely to be signed by finance ministers from the Group of 20 countries when they meet next month in the Japanese city of Fukuoka ahead of the main G20 meeting in Osaka, the Nikkei said.

The policy, targeting firms like Google, Apple, Facebook and Amazon, would "allocate revenue to countries that provide large user bases for the world's digital corporate giants," the daily said, citing unnamed sources.

The countries will seek to reach a final agreement in 2020, but how the [policy](#) will work remains to be finalised.

One possibility would be to distribute collected [tax revenues](#) to countries based on the number of

users a given company has in each country.

That could mean that Facebook, which has centralised its profits and [tax payments](#) in Ireland to take advantage of low rates, would see its tax payments redistributed to areas where more of its users live.

But details of how the tax will be collected and distributed and which companies will be affected remain to be finalised, with the Organisation for Economic Cooperation and Development (OECD) expected to help iron out the rules.

The issue of how to tax top digital companies has become increasingly fraught, with several European nations going it alone, drawing the ire of the United States.

The Paris-based OECD is trying to forge a new global agreement that would prevent the firms from simply declaring their income in low-tax jurisdictions, depriving other countries of billions in revenue.

In April, French lawmakers passed the first reading of a bill to impose taxes on digital advertising, the sale of personal data and other [revenue](#) for any technology [company](#) that earns more than 750 million euros (\$840 million) worldwide each year.

A bid to agree a law at the European Union level was scuttled by low-tax countries like Ireland, which have wooed big tech firms.

Austria has proposed similar domestic legislation.

© 2019 AFP

APA citation: G20 countries eye tax policy for internet giants: Nikkei (2019, May 30) retrieved 20 October 2019 from <https://phys.org/news/2019-05-g20-countries-eye-tax-policy.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.