

## France's digital tax riles the White House

**Notes & Cues:****Article:**

It can be horribly difficult to tax tech giants' profits. Rich countries have haggled over how to reform the global tax system, making progress in a number of areas, but not on taxing tech. Now France, it seems, has had enough.

On July 11th it passed a bill allowing it to levy 3% on the French revenues of big internet firms — those with at least €750m (\$844m) of revenue worldwide and €25m (\$28m) within France.

That has not gone down well at the White House, which says the measure unfairly takes aim at American companies like Google and Amazon.

Some think France's unilateral action is mis-timed. But all say they would prefer a global deal, which the OECD, a club of rich and middle-income countries, is trying to broker.

France's action, critics say, could now undermine that multilateral process. What is more, a world in which different countries imposed different digital tax regimes would be horribly messy.

The European Commission has in recent years levied billions in fines against Google over anti-competitive practices. Facebook, too, could be hit for alleged privacy breaches. All this at a time when America and the EU are discussing a trade deal. Those talks have hit a wall. France has just added another brick.

**Summary:**