

## France passes digital tax on US tech firms despite trade threat

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France's Senate approved a tax on the revenues of tech giants like [Google](#), [Amazon](#) and [Facebook](#) on Thursday, defying a warning from the President Donald Trump administration that it "unfairly targets American companies."

On Wednesday, Trump ordered an investigation into France's planned "digital tax" on tech companies. The 3% tax would apply to the French revenues of roughly 30 major companies, mostly from the U.S.

"France is sovereign, and France decides its own tax rules. And this will continue to be the case," France's Finance Minister Bruno Le Maire said in a statement.

He added the U.S. and France could find agreements, rather than using threats, to reach a deal on the "fair taxation" of internet giants.

In [a statement](#) Wednesday, U.S. Trade Representative Robert Lighthizer said the U.S. will investigate whether the French tax "is discriminatory or unreasonable and burdens or restricts United States commerce." The investigation could lead to the U.S. imposing tariffs or trade restrictions on French goods, potentially escalating the global fight over trade.

Lighthizer added the U.S. will continue to support efforts by the Organization for Economic Cooperation and Development (OECD) to reach a multilateral agreement

on taxes in the digital economy. The OECD has said it won't come to a conclusion on a so-called digital tax until 2020.

[France forged ahead with its own version](#) of a digital tax earlier this year. The tax would apply to companies that generate worldwide revenues on their digital services of at least 750 million euros (\$845 million), with 25 million euros (\$28 million) from within France. Le Maire has said the tax would raise up to 500 million euros (\$565 million) per year.

In a statement, Amazon said the French tax is “poorly constructed” and “discriminatory,” adding it will cause “significant harm to American and French consumers alike.”

“We applaud the Trump Administration for taking decisive action against France and for signaling to all of America’s trading partners that the U.S. government will not acquiesce to tax and trade policies that discriminate against American businesses,” the Amazon statement said.