



TaxNewsFlash

United States



No. 2019-421
August 26, 2019

U.S. agreement reportedly reached with France, digital services tax

There are widely circulated press reports that U.S. President Trump and French President Macron have agreed to resolve issues concerning the French digital services tax.

In France, the digital services tax was enacted in July 2019, and imposes a 3% tax on annual revenues generated by certain companies providing covered digital services to, or aimed at, French users. There are thresholds for the tax to apply—it only applies for companies with annual revenues from the covered digital services of at least €750 million globally and €25 million in France. Read [TaxNewsFlash](#)

The U.S. Trade Representative in early July 2019 initiated an investigation of France's digital services tax under Section 301 of the Trade Act of 1974, and in August 2019, the USTR held a public hearing concerning the tax. Read [TaxNewsFlash](#)

While both President Trump and President Macron referenced the agreement in a press conference, the details of the arrangement are not yet clear. There is not yet an official announcement from the U.S. Treasury Department or the USTR about this alleged agreement.

The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to be applied to any specific reader's particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)