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U.S. trade-related report on France's digital services tax expected next week

The Office of the U.S. Trade Representative (USTR) today announced that the USTR is expected to complete its investigation under Section 301 of the Trade Act of 1974 of France's digital services tax and issue its report on that investigation on Monday, December 2, 2019.

According to the [USTR release](#), any proposed action in the investigation will be announced at that time.

Background

The French government in July 2019 enacted legislation providing a 3% tax on revenues generated by certain companies from the provision of digital services. The tax is a 3% levy on gross revenues generated from providing two categories of digital services—"digital interface" services and "targeted advertising" services—to, or aimed at, persons in France. The digital services tax in France applies only to companies that generate, from providing the taxable services, €750 million globally and €25 million for services provided to, or aimed at, persons in France. The tax applies retroactively, beginning January 1, 2019. Read [TaxNewsFlash](#)

In July 2019, the USTR initiated an investigation of the French digital services tax pursuant to Section 301 of the Trade Act of 1974. A public hearing in connection with the investigation was held in August 2019. Read [TaxNewsFlash](#)

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