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U.S. conclusions, trade-related investigation of France's digital services tax

The Office of the U.S. Trade Representative this evening announced that it has completed the first segment of an investigation of France's digital services tax under Section 301 of the Trade Act of 1974 and has concluded that France's digital services tax:

- Discriminates against U.S. companies
- Is inconsistent with prevailing principles of international tax policy
- Is unusually burdensome for affected U.S. companies

The USTR released a 93-page [report](#) [PDF 23 MB] containing the conclusions of its investigation of the French digital services tax.

According to a related [USTR release](#), the report "... sends a clear signal that the United States will take action against digital tax regimes that discriminate or otherwise impose undue burdens on U.S. companies...."

The USTR further stated that it will issue for publication in the Federal Register a [notice](#) [PDF 620 KB] explaining these findings and soliciting comments from the public on USTR's proposed action—including additional customs duties of up to 100% on certain French products. That notice will seek comments on the option of imposing fees or restrictions on French services.

The list of French products subject to potential duties includes 63 tariff subheadings with an approximate trade value of \$2.4 billion.

Comments on the proposed action will have to be submitted by January 6, 2020, and post-hearing rebuttal comments by January 14, 2020.

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