



# TaxNewsFlash

United States



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## Treasury opposition to digital services tax initiatives, support for Pillar One

The U.S. Treasury Secretary, in a 3 December 2019 letter to the Secretary-General of the Organisation for Economic Cooperation and Development (OECD), wrote that the United States “firmly opposes digital services taxes” because of the “discriminatory impact” such taxes would have on U.S. businesses.

The [letter](#) [PDF 35 KB] further expresses the U.S. Treasury Department’s position that there are:

*...serious concerns regarding potential mandatory departures from arm’s-length transfer pricing and taxable nexus standards.... Nevertheless, we believe that taxpayer concerns could be addressed and the goals of Pillar 1 could be substantially achieved by making Pillar 1 a safe-harbor regime. The United States also fully supports a GILTI-like Pillar 2 solution.*

The letter concludes with a statement that the United States urges “all countries to suspend digital services tax initiatives, in order to allow the OECD to successfully reach a multilateral agreement.”

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