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Senate Finance Committee leaders' statement on UK's digital services tax

U.S. Senate Finance Committee Chairman Chuck Grassley (R-IA) and ranking member Ron Wyden (D-OR) today jointly released a statement regarding the UK's digital services tax.

The digital services tax in the UK has a rate of 2% on revenue from certain digital income streams connected to UK users, and an effective date of 1 April 2020. The tax is to be calculated based on relevant revenue as recognised in the financial statements and only applies to a global group that exceeds the following thresholds in a 12-month period:

- £500 million of worldwide revenue from digital services activities; and
- £25 million of these revenues attributable to UK users (UK digital services revenues)

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Today's [statement](#) released by the Finance Committee reflects the following:

Unilaterally imposing a discriminatory tax that unfairly targets U.S. businesses damages efforts to achieve a multilateral solution and unnecessarily complicates the path forward for a U.S.-U.K. trade deal....In the course of its ongoing investigation under Section 301 of the 1974 Trade Act, the United States Trade Representative should explore all available options to respond appropriately. The U.K should reconsider this punitive action against its ally.

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