

Parliament slams inaction on tech tax

Proposal to tax tech giants

Today, the European Parliament has voted on a proposal to tax tech giants. Large multinational tech companies typically pay significantly less tax (often less than 10%) than both normal companies and individuals, and frequently use profit shifting techniques to lower their tax bills.

Last week talks broke down between European Union finance ministers over Commission proposals for a "digital service tax". A last minute intervention by France and Germany attempted to salvage a deal that would only tax the three largest tech giants, a proposal that is far less ambitious than the original digital service tax, and which will be discussed in the next ECOFIN meeting.

The **Greens/EFA** group have long been calling for companies such as Google, Amazon, Facebook and Apple to pay their fair share in the countries where they operate and where they generate revenues. Given the lack of progress in the Council by EU Member States, the Greens/EFA group had also demanded that the Commission reinitiate the legislative procedure on the proposal, which would guarantee that the Parliament has co-decision powers and requires only majority, and not unanimity, in the Council.

Molly Scott Cato, Greens/EFA tax spokesperson comments:

"It's time that the tech giants paid their fair share. These companies, which are increasingly part of our everyday lives, from how we consume content and goods to how we communicate, should be treated as equal contributors to society. The Franco-German non-paper was a non-starter and emblematic of the lack of ambition Paris and Berlin pay to one of the most important tax injustices in Europe.

"European governments seem so desperate to please Seattle and Silicon Valley executives that they cannot come to agreement on even the basic details of a tech tax. But citizens expect their politicians to have the courage to face down these powerful global corporations. After so many months of meetings and wrangling, it's simply unacceptable that the Council can't find a common position and continues to try and water down what's on the table.

"Member State governments are playing into the hands of populists by proving that the EU is unable to act on

something so crucial to the lives of citizens. It's time that tax issues were treated like ordinary EU legislation and voted on by majority, instead of letting one or two governments whose interests lie on the western seaboard of the US and not with that of EU citizens, veto progress."

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Responsible MEPs



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