

Spain vows to push ahead with tax on tech giants

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Madrid will push ahead with a tax on large internet and technology firms as soon as a new government is sworn in, Spain's acting economy minister said Wednesday.

Parliament will vote next week on acting Prime Minister Pedro Sanchez's bid to form a new government after his Socialist party won an early general election in April but without an absolute majority.

His government in January introduced a draft law which would slap a 3.0 percent tax on revenues generated from some services to Spanish consumers by the largest tech firms such as Google and Facebook, putting Spain among a vanguard of countries seeking to force the companies to pay more in the markets where they operate.

But before the proposed law could be approved the government was forced to call the early election after it failed to pass its draft 2019 budget in [parliament](#).

Acting Economy Minister Nadia Calvino told news radio Cadena Ser that the government's "intention is to put (the tax) back on the table as soon as there is a government."

"The idea would be to find a global solution because it is a global problem" but since this has so far not been possible, "we must take action because the impact on our economies can not be minimised," she added.

France's parliament last week passed a law making it the first major [economy](#) to impose a tax on digital giants, defying a probe ordered by an angry US President Donald Trump that could trigger reprisal tariffs.

The new law—dubbed the GAFA tax in an acronym for Google, Apple, Facebook and Amazon—aims at plugging a taxation gap that has seen some internet heavyweights paying next to nothing in countries where they make huge profits because their legal base is in smaller, lower rate European Union states.

Asked about the possibility that the United States will also impose sanctions on Spain if it goes ahead with the tax, Calvino said it was "very risky" to predict its reaction because of Washington's "erratic behaviour".

She added she believes US Treasury Secretary Steven Mnuchin "sees the need for a global solution, he is very interested in finding a format for taxation that is fair for big internet firms."

Sanchez won 123 seats in Spain's 350-seat parliament in the April election and still has not secured support from other parties to win next week's confidence vote.

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