

Spain looks to adopt digital tax that has angered the US

February 18 2020, by Barry Hatton



In this Monday, Nov. 18, 2019 file photo, the logo of Google is displayed on a carpet at the entrance hall of Google France in Paris. Ireland's Data Protection Commission said Tuesday Feb. 4, 2020, they have launched separate inquiries into Google and dating app Tinder over their processing of user data, in a fresh round of regulatory scrutiny aimed at tech companies. (AP Photo/Michel Euler, File)

Spain's government approved Tuesday the introduction of new taxes on digital business and stock market transactions, following similar steps by other European countries.

The Cabinet agreed at its weekly meeting to adopt the so-called Google tax and Tobin tax. The measures still require parliament's approval.

Finance Minister Mara Jesus Montero said the Google tax, which has angered U.S. authorities and brought a threat of tariffs by the Trump administration, will be levied only from the end of the year.

By then, the [government](#) hopes an international agreement on [digital business](#) taxes will be in place. The Organization for Economic Co-operation and Development, which advises the world's [rich countries](#) on policies, is currently trying to draw up the agreement.

Montero said the government wants a "fairer" tax system, adapted to the new economic trends of globalization and digitalization.

Spain's Socialist-led [coalition government](#) is following other European countries, such as France and the United Kingdom, in adopting a digital tax.

The measure is an attempt to get around tax avoidance measures frequently used by multinationals. Big tech firms such as Google and Facebook pay most of their taxes in the European Union country where they are based and often pay very little in countries where they run large and profitable operations.

Spain wants to place a 3% tax on online ads, on deals brokered on [digital platforms](#) and on sales of user data by [tech companies](#) that have a turnover of more than 750 million euros a year internationally and more than 3 million in Spain. It hopes to raise close to 1 billion euros a year in

extra tax revenue.

Other EU countries, such as France, Italy and Belgium, have already passed a Tobin tax. In Spain, the government aims to levy a 0.2% tax on share purchases involving companies worth more than 1 billion euros. That should raise more than 800 million euros annually, according to the government.

A Socialist government first said it wanted to adopt the new taxes in January of last year, but an April general election foiled its plans.

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Citation: Spain looks to adopt digital tax that has angered the US (2020, February 18) retrieved 9 April 2024 from <https://techxplore.com/news/2020-02-spain-digital-tax-angered.html>

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