

FOR IMMEDIATE RELEASE

PRESS RELEASE

## US business concerned over EU digital tax proposal

**Brussels, 21 March 2018** – The American Chamber of Commerce to the EU (AmCham EU) understands the public interest in digitalisation as it continues to change the economy. We agree there needs to be a serious, structured conversation about how new business models should be taxed. However, we believe that the conversation should take place in a multilateral context in order to ensure widespread agreement. The EU can bring valuable expertise to the conversation which is now being initiated at the Organisation for Economic Co-operation and Development (OECD), but we are concerned that the short-term measures proposed today by the European Commission may make it more difficult for that process to succeed.

Turnover taxes substantially reduce the amount of company profits available for investment and reinvestment, and could have a negative effect on jobs and growth in the EU. They penalise businesses with low margins and low profits. Even where they are focused to target a small number of large businesses, taxes that are not proportionate to profits (and at a rate which could exceed businesses' profit margins) create a cliff-edge that disincentivises smaller businesses from growing.

**Susan Danger, CEO, AmCham EU, commented:** 'We need to foster an environment that enables all businesses to grow and European citizens to reap the benefits of the digital transformation. The taxation of the digital economy needs to strike the right balance between taxing value where it is created while fostering growth. We support ongoing international efforts to reach a consensus on this issue.'

###

### About AmCham EU

AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters.

**For further information**, please contact Thibaut L'Ortye, Senior Content Adviser ([TLO@amchameu.eu](mailto:TLO@amchameu.eu); +32 2 289 10 39).