



AMERICANS *for* TAX REFORM

Grover G. Norquist

President

June 3, 2020

Dear Representative Lighthizer:

I support and commend your efforts to initiate 301 investigations into Digital Services Taxes that have been adopted or are being considered by the European Union, India, Indonesia, the United Kingdom, the Czech Republic, Spain, Austria, Turkey, Italy, and Brazil.

Numerous countries are violating the international rules governing tax jurisdictions. It is the dream of every politician to tax people who cannot vote him or her out of office.

The already imposed or considered Digital Services Taxes are designed in a way to exclusively target American companies as there is no comparable digital industry in those nine countries listed above and the European Union. Any Digital Services Tax will impose a financial burden on American companies and workers.

Digital Services Taxes pose unprecedented dangers to tax competition, innovation, and American and worldwide economic growth. The new taxes represent a dramatic and irreversible shift for the international tax system. We had hoped that the escalation of this issue could be avoided. These taxes damage the relationships with the United States and could lead to a spiral of retaliation.

It is of the utmost importance for the United States to make its voice heard on every level and to take stronger action in order to counsel those countries and the European Union to refrain from their unilateral actions that damage American workers.

The focus should now be on multilateral solutions that are being developed by the OECD at a global level, but as always, we strongly caution against tariff remedies.

I thank you again and encourage you to continue this process. Should you have any questions or comments please contact Andreas Hellmann at ahellmann@atr.org

Onward,

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