

CHUCK GRASSLEY, IOWA, CHAIRMAN

MIKE CRAPO, IDAHO  
PAT ROBERTS, KANSAS  
MICHAEL B. ENZI, WYOMING  
JOHN CORNYN, TEXAS  
JOHN THUNE, SOUTH DAKOTA  
RICHARD BURR, NORTH CAROLINA  
JOHNNY ISAKSON, GEORGIA  
ROB PORTMAN, OHIO  
PATRICK J. TOOMEY, PENNSYLVANIA  
TIM SCOTT, SOUTH CAROLINA  
BILL CASSIDY, LOUISIANA  
JAMES LANKFORD, OKLAHOMA  
STEVE DAINES, MONTANA  
TODD YOUNG, INDIANA

RON WYDEN, OREGON  
DEBBIE STABENOW, MICHIGAN  
MARIA CANTWELL, WASHINGTON  
ROBERT MENENDEZ, NEW JERSEY  
THOMAS R. CARPER, DELAWARE  
BENJAMIN L. CARDIN, MARYLAND  
SHERROD BROWN, OHIO  
MICHAEL F. BENNET, COLORADO  
ROBERT P. CASEY, Jr., PENNSYLVANIA  
MARK R. WARNER, VIRGINIA  
SHELDON WHITEHOUSE, RHODE ISLAND  
MAGGIE HASSAN, NEW HAMPSHIRE  
CATHERINE CORTEZ MASTO, NEVADA

## United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

KOLAN DAVIS, STAFF DIRECTOR AND CHIEF COUNSEL  
JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

June 24, 2019

The Honorable Steven T. Mnuchin  
Secretary of the Treasury  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

Dear Secretary Mnuchin:

We write to encourage you to intensify your efforts to convince the French government that it would be unwise and short-sighted to implement a digital services tax (DST) while France, the United States, and other countries are expeditiously working to reach a consensus at the Organisation for Economic Co-operation and Development (OECD) on the tax challenges arising from the digitalization of the economy.

It is our understanding that notwithstanding the progress being made at the OECD, the French General Assembly and Senate have both passed versions of a DST that could hinder such progress and create a new transatlantic trade barrier. A gathering of members of the French General Assembly and Senate is expected as soon as this week, at which time an agreement could be reached to resolve the differences in each chamber's DST provision. The DST would unfairly target certain U.S.-based multinational companies, apply retroactively to the beginning of this year, and potentially lead to significant double taxation. Time is, therefore, of the essence.

In recognition of the gravity of this situation, we ask that you consider all available tools under U.S. law to address such targeted, discriminatory taxation. As you know, the Internal Revenue Code provides tools to address such actions. Under section 891, a double rate of U.S. tax could be imposed on citizens and corporations of foreign countries engaging in discriminatory taxation of Americans.

We continue to support your active participation in the current OECD negotiations. We encourage you to take all the steps necessary to convince the French government to abandon its

unilateral DST provision, and instead direct its efforts towards reaching a consensus at the OECD.

Sincerely,



---

Charles E. Grassley  
Chairman  
U.S. Senate Committee on Finance



---

Ron Wyden  
Ranking Member  
U.S. Senate Committee on Finance

cc: The Honorable Michael R. Pompeo, Secretary of State  
Ambassador Robert E. Lighthizer, United States Trade Representative