



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

July 11, 2019

The Honorable Charles E. Grassley  
Chairman  
Committee on Finance  
United States Senate  
Washington, DC 20510

Dear Chairman Grassley:

Thank you for your June 24, 2019 letter. The Department of the Treasury strongly agrees and shares your concerns regarding the proposed digital services tax (DST) legislation now pending before the national legislature of France. We have communicated and will continue to communicate our opposition to the poor design of the proposed French DST and its discriminatory impact on U.S.-owned multinational entities.

Further, we have and will continue to urge France to forbear from such unilateral actions and to instead join with us in an intensive effort to reach a comprehensive, multilateral solution. If France unilaterally adopts a DST and the United States does not respond, other countries may impose similar unilateral measures. Because of this possibility, Treasury is actively engaged in a coordinated effort across the Administration, and we are evaluating a range of potential U.S. responses to the adoption of a French DST. Options under review include consideration of the Internal Revenue Code authorities noted in your letter among other broader strategies.

Treasury appreciates the support that you and the Committee are providing as we simultaneously engage in intensive multilateral discussions at the Organization for Economic Cooperation Development and oppose unilateral measures.

Thank you for your leadership on this important issue. If you have any further questions, please contact the Office of Legislative Affairs.

Sincerely,

  
Kimberly J. Pinter  
Deputy Assistant Secretary  
Office of Legislative Affairs

Identical letter sent to:  
The Honorable Ron Wyden

cc: The Honorable Michael R. Pompeo  
The Honorable Robert E. Lighthizer