

To: Taxation Working Group, Public Affairs & Communications Committee

European Commission launches a roadmap to introduce digital tax

On 14 January, the European Commission launched a [roadmap](#) seeking feedback on the possible introduction of a digital tax to address the issue of fair taxation of the digital economy.

A fair and competitive digital economy is one of three strategic priority areas in the agenda on Shaping Europe's Digital Future. This means ensuring that EU rules, including in the area of taxation, are fit for purpose in the digital economy, and that companies compete in Europe on fair terms.

The problems of the current tax framework to address the reality of companies operating in the digital sector are not particular to a specific Member State but constitute a common challenge for the EU as a whole.

This new initiative specifically aims at:

- mitigating distortions and the risk of fragmentation of the EU single market resulting from the uneven playing field between operators in the digital sphere as well as the digital sector and other sectors of the economy.
- strengthening the single market for digital activities, in line with the Digital Services Act package

The main objective of the initiative is to come forward with a measure that allows for a fairer contribution from the companies that operate in the digital sphere for the purposes of the recovery and to support a more stable medium-term outlook. At the same time, it should not interfere with the ongoing work at the G20 and OECD level on a reform of the international corporate tax framework.

This roadmap will allow all stakeholders to give their views on all the aspects of a digital levy, as well as on the potential impact of the different options under consideration.

The roadmap is open for feedback until **11 February 2021**.

Next steps

- The secretariat will follow up with members on developing a possible response to the roadmap.
- 11 February: deadline to provide feedback on the roadmap.
- The indicative planning for the legislative proposal is set for Q2 2021.

For more info

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