

INDIA TELLS US THAT DIGITAL TAX ON GOOGLE, AMAZON ISN'T BIASED

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Public Finance, Taxation & Black Money incl. Government Budgeting

The decision has been conveyed to the US trade department, which had initiated a probe

India's decision to levy a tax on companies offering digital services in the country is not aimed at any particular country and the decision will not be reconsidered, people with knowledge of the matter said.

The decision has been conveyed to the U.S. trade department, which had initiated a probe alleging the South Asian nation was targeting companies such as Amazon.com Inc., Facebook Inc. and Alphabet Inc.'s Google, the people said asking not to be identified citing rules on speaking to the media.

India's stand on the levies comes as the two nations engage in negotiations to achieve a limited trade deal with ambitions for a free trade agreement in the future. A similar dispute in France, prompted the U.S. to levy 25% tariffs on a series of French goods worth about \$1.3 billion, last week.

A call made to the trade ministry spokesman outside office hours was not immediately answered, while the U.S. Embassy in New Delhi referred the query to the U.S. Trade Representative's office. An email sent to a USTR spokesperson for comment remained unanswered.

The South Asian nation is among ten other nations facing U.S. investigations to assess whether the levies discriminate against American technology majors. In the French case, the tariff on goods such as makeup and handbags will take effect after about 180 days since France has not yet started collecting its digital tax.

The tax -- or equalization levy -- which was announced by Finance Minister Nirmala Sitharaman in February's budget, was operationalized from April 1, and applies only to non-resident companies selling goods and services online. It is an additional safeguard against loss of revenue in India due to activities of e-commerce operators in the country, the people said.

This story has been published from a wire agency feed without modifications to the text. Only the headline has been changed.

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