



**Computer & Communications
Industry Association**
Open Markets. Open Systems. Open Networks.



U.S. Chamber of Commerce

The Honorable Scott Bessent
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington D.C. 20220

The Honorable Howard Lutnick
Secretary
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

The Honorable Jamieson Greer
U.S. Trade Representative
600 17th Street, NW
Washington, D.C. 20508

By electronic mail

June 3, 2025

Dear Secretary Bessent, Secretary Lutnick, and Ambassador Greer:

On behalf of the undersigned trade associations, we write to call for decisive action to address the digital services taxes (DSTs) imposed by Canada and the United Kingdom. Critically, the first payment for the Canada DST is due by June 30, 2025, which underscores the urgency we now face.

While Canada and the United Kingdom are not the only countries implementing such discriminatory measures, they currently represent the largest burden on U.S. firms and the U.S. Treasury, costing billions of dollars in lost revenue, impeding market access, and reducing the U.S. tax base. Moreover, failure to stop two of our closest allies and trading partners from proceeding with these discriminatory taxes will send a signal to other countries that they can target U.S. firms and workers

without consequence, with actions like Germany's May 29 proposal to institute a new 10% DST on U.S. firms.

The UK DST has been in force since 2022 and has cost U.S. firms an estimated \$2 billion. The Canadian DST took effect last year, but retroactively imposes taxes to 2022, an egregious overreach, and the first payment covering 2022, 2023, and 2024 is due by June 30. This will cost U.S. companies approximately \$2 billion this year and up to \$2.3 billion annually, which could result in up to 3,140 American workers losing their jobs.¹

In light of these facts, we urge the Administration to: 1) leverage all of the tools at its disposal to press Canada to abandon the DST to avoid undermining both exports to Canada and the U.S. tax base; and 2) continue prioritizing the elimination of the United Kingdom's DST as part of the U.S.-UK Economic Prosperity Deal, and not conclude this agreement without addressing this egregious barrier.

For Canada, it is critical that the U.S. secures the removal of Canada's DST before companies begin making payments ahead of the June 30 deadline. If it is not possible to achieve this outcome before this deadline, the U.S. should ensure Canada delays the payment date to allow time for negotiations. The Canadian government is able to make a regulatory amendment to delay the collection and provisions of the Digital Services Tax Act (DSTA), while the governments complete their trade negotiations.

Acting on these DSTs will also support U.S. efforts to maintain tax sovereignty. The continued proliferation of discriminatory digital services taxes undermines these ongoing efforts, and allowing any single country to move forward with these taxes would threaten this goal.

To that end, we call for a strong U.S. response and ask that USTR pursue all options in responding to these longstanding barriers. We appreciate your engagement on this issue and look forward to continuing to support your efforts to oppose any existing and proposed DSTs by U.S. trading partners.

Sincerely,

Computer and Communications Industry Association (CCIA)
Coalition of Services Industry (CSI)
Consumer Technology Association (CTA)
Information and Technology Industry Council (ITI)
U.S. Chamber of Commerce
National Foreign Trade Council (NFTC)]

¹ <https://ccianet.org/research/reports/impacts-canada-proposed-digital-service-tax-united-states/>.

cc:

Kevin Hassett
Council of Economic Advisors
The White House

The Honorable Pete Hoekstra
U.S. Ambassador to Canada
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