

GOVERNMENT

US holds off on French luxury goods tariffs

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The U.S. will no longer place tariffs on French luxury goods. Image credit: U.S. Trade Department

By LUXURY DAILY NEWS SERVICE

The United States has suspended a planned move to introduce tariffs of 25 percent on high-end French goods to retaliate against a tax by France on tech companies such as Amazon and Facebook.

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Robert Lighthizer, the outgoing U.S. Trade Representative, has put off the decision until the U.S. Trade Office finishes its investigation of similar digital service taxes (DSTs) adopted by India, Italy, the United Kingdom and other countries and decides on an appropriate response. The threat of American tariffs on French cosmetics, handbags and other goods had been under consideration since last year in response to a levy by France on US. tech companies' revenue.

"A suspension of the tariff action in the France DST investigation will promote a coordinated response in all of the ongoing DST investigations," said the Office of the U.S. Trade Representative in a [statement](#).

Investigations into other tax schemes

The postponement of the tariffs offers President-elect Joe Biden and his expected trade chief Katherine Tai, the opportunity to work towards bringing a resolution to the issue with the countries involved.

The nature of other digital services taxes, which have been adopted or are under consideration in 10 other jurisdictions, is still under review by the U.S. Trade Department.



French fashion powerhouse Dior would have been one of the many French brands effected by the luxury tariffs which are no longer set to start this month. Image credit: Shutterstock

While the probes into other countries' taxation policies have "significantly progressed," a course of action has yet to determine possible trade remedies, according to the Office of the U.S. Trade Representative.

Earmarked to go into effect this month, the 25 percent tariffs would have been placed on \$1.3 billion-worth of French goods ([see story](#)).

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