



Press Release

U.S. Retaliatory Tariffs to Digital Services Taxes

PAULINA ENCK | OCTOBER 22, 2021

The United States has reached an agreement to terminate tariffs it had threatened against five European countries in exchange for those countries to eventually remove digital services taxes on large U.S. technology firms. In a new insight, Data and Policy Analyst Tom Lee notes the costs these tariffs would have imposed on the U.S. economy. He further warns that the use of retaliatory tariffs harms relationships that will be crucial for advancing and securing global U.S. economic interests in the future.

Key points:

- The tariffs would have covered \$3.0 billion worth of traded goods and cost the United States \$739.5 million annually.
- The United States has similar potential tariffs slated to go in effect in November against India and Turkey unless a deal is reached with those countries.
- The Biden Administration should limit the use of tariffs to boost its interest in other policy areas because this practice undermines U.S. trade relations with its strategic allies.

[Read the analysis](#)