

United States, OECD, Turkey

United States and Turkey Agree on Transition from Digital Services Tax to New International Tax Framework

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On 22 November 2021, the United States and Turkey reached an agreement on the transition from the existing Turkish Digital Services Tax (DST) to the new multilateral solution agreed by the OECD-G20 Inclusive Framework (see [OECD-1, News 11 October 2021](#)).

The two countries released a [Joint Statement](#) regarding their agreement. The US Treasury Department issued a related [Press Release](#), dated 22 November 2021.

The Joint Statement states that the United States and Turkey will be subject to [the same terms of the agreement](#) that the United States, Austria, France, Italy, Spain and the United Kingdom reached on 21 October 2021 (see [United States-6, News 25 October 2021](#)).

Accordingly, Turkey will continue to apply its existing DST until Pillar One comes into effect, and DST liability that US companies accrue during the interim period will be creditable against future income taxes accrued under Pillar One. In return, the United States will terminate its currently-suspended additional tariffs on Turkish goods adopted in response to Turkey's DST.

In January 2021, the Office of the US Trade Representative (USTR) issued a [report](#) concluding that Turkey's DST is unreasonable or discriminatory and burdens or restricts US commerce (see [United States-2, News 11 January 2021](#)). On 2 June 2021, based on the USTR's findings, the United States determined to impose additional tariffs on certain goods from Turkey, while suspending the implementation of the tariffs for 180 days (ending on 29 November 2021) (see [United States-2, News 3 June 2021](#)).

See also

[OECD-1, News 11 October 2021](#)

[United States-6, News 25 October 2021](#)

[United States-2, News 3 June 2021](#)

[United States-2, News 11 January 2021](#)

[United States - Corporate Taxation - Country Surveys section 6.](#)

[United States - Individual Taxation - Country Surveys section 6.](#)

[United States - Corporate Taxation - Country Analyses section 7.](#)

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