Brussels, 27 September 2013

**Tax, lies and videos**

***The French way of setting up new taxes on ICT products***

On September 18 in Brussels, the French socialist MEP Françoise Castex presented a partial draft resolution to the European Parliament[[1]](#footnote-1), challenging the report of the former Commissioner Antonio Vitorino delivered earlier in February on private copy levies.

In point K of her report, Mrs. Castex assumes that the existence of private copy levies do not make any difference to the final price of a smartphone or a tablet in the EU. It suggests that the price of a tablet in France, where copyright levies are comparatively high, is the same as in those markets that have a lower copyright taxation (Spain) or have no private copy levies such as in the UK.

Mrs. Castex follows the same misinformed logic of the French Culture Minister Aurélie Filippetti who has advocated a new tax on ICT devices that would supplement current copyright levies in France to secure funding for the cultural sector. Market data simply does not support the premise that such a tax does not result in additional costs for the consumer as they are not passed by the manufacturers[[2]](#footnote-2). This was also highlighted by two popular French radio broadcasts (Europe 1 and France Info)[[3]](#footnote-3) on the 20th September.

The current approach of financing culture and creativity by not only protecting an antiquated levy system but by expanding it to new digital developments reduces the use of technology to the consumption of cultural products. Far more it fails to acknowledge market realities and the well-documented mutual benefit and close collaboration of the culture sector and the ICT industry.

The ICT industry has become an essential partner for the cultural industry: not only does it manufacture devices necessary for cultural creation and the dissemination of cultural goods, but it also enables content creators to find ways and appropriate economic models to remunerate their works. It significantly reduces market entry barriers for creators and has facilitated the creation, consumption and distribution of an immense diversity of content.

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1. <http://www.pcinpact.com/news/82481-europe-projet-resolution-castex-sur-copie-privee.htm> [↑](#footnote-ref-1)
2. Relevant data can be found here: <http://www.pcinpact.com/news/82389-les-contributions-culturelles-n-augmentent-pas-prix-vraiment.htm> [↑](#footnote-ref-2)
3. <http://www.europe1.fr/MediaCenter/Emissions/Laurent-Guimier/Videos/Le-prix-des-tablettes-a-travers-le-monde-1647403/> ; <http://www.franceinfo.fr/musique/le-vrai-du-faux/aurelie-filippetti-dit-elle-vrai-sur-le-prix-des-tablettes-1147615-2013-09-20> [↑](#footnote-ref-3)