

Rt Hon. Andy Burnham

Prime Minister of the United Kingdom of Great Britain and Northern Ireland

Rt Hon. John Healey

Chancellor of the Exchequer

The Cabinet Office

70 Whitehall

London

SW1A 2AS

United Kingdom

21 September 2026

Dear Prime Minister and Chancellor,

Re: Strengthen the Digital Services Tax & uphold UK tax sovereignty

As you know, millions across the UK are struggling with a cost of living crisis and underinvestment in our public services. High streets up and down our communities are in decline with small businesses struggling to stay afloat, and young people are bearing the brunt of a mental health crisis driven by harmful algorithms and content on social media platforms.

Whilst ordinary people struggle, the biggest tech multinationals that dominate consumer markets and our social media feeds continue to make billions in profit. At the same time, these multinationals often pay a lower tax rate than brick and mortar businesses. Increasingly, big tech CEOs use their extreme wealth and their platforms to wield disproportionate influence over our democracy.

Consequently, we are deeply concerned by recent reports that your Government '[is willing to discuss American concerns over its digital services tax amid renewed pressure from the White House](#).' This pressure from the Trump administration is not new. Last year, Sir Keir Starmer faced the threat of tariffs but remained firm and maintained the Digital Services Tax (DST). We need you to do the same.

The DST, a small 2% tax on the revenues of the very biggest technology companies operating in the UK and around the world, is projected to raise [over £5 billion over the course of this Parliament](#). **This is enough to pay for the cost of living measures your government has introduced - the £2 bus cap and VAT cut on electricity bills - or double the Pride in Place Budget to get much needed investment into more communities across the UK.**

The Treasury found last year that the DST is also one of the most efficient taxes on the statute book, with little to no error or fraud, and a minimal cost to administer. It's a tax that ensures some of the largest tech companies operating in the UK pay tax back into the system. Importantly, DSTs expanded to cover the foreign AI industry would help capture some value for UK citizens and workers from AI's exorbitant UK revenues and its economic impact.

While the UK's DST was meant to be a temporary measure until global tax rules were agreed for a permanent mechanism, those negotiations at the OECD have also been derailed by the US government. As a result, other major economies are not abolishing their DSTs but are instead expanding their scope or rate, as Italy and Malaysia have done, and France and Poland are considering.

UK tax policy must be set in the UK, by UK lawmakers, and work in the interests of the UK public and economy. It must not work in the interests of billionaires, and certainly not at the behest of a US President who has made opposing DSTs a feature of his trade policy, [using the threat of trade sanctions to pressure countries into shelving their tax plans](#).

Therefore, we are writing today as leading civil society organisations, to urge you to:

- Enhance, not scrap, the Digital Services Tax; retaining the existing rate at a minimum and increasing it in line with international peers, for example Spain and Austria.
- Expand the scope of the DST beyond search engines, online marketplaces and social media companies to include AI companies and additional digital products.
- Support the principle of Unitary Taxation of multinational corporations, including in ongoing United Nations Tax Convention negotiations; this would prevent multinationals shifting profits through low-tax jurisdictions, with taxation rights and revenues based on where economic activity takes place.
- Ensure that negotiations towards a Free Trade Agreement with the USA do not impinge on the UK's tax sovereignty.

In a world and economy being transformed by technological developments, it is vital that our tax policy is fit for the future. The DST is one part of this. It is a [vital check](#) on the biggest tech companies who otherwise often avoid paying their fair share of corporate tax and must not be scrapped to appease President Trump and his big tech donors. It would also reduce government revenue, with a tax giveaway to the wealthiest corporations, at a time when the country is desperate for investment to fund the government's ambitious plans and improve people's living conditions.

We are ready to support action taken by yourselves and the Government to make our tax system fairer and fit for the future. We strongly encourage you to ensure Big Tech companies and their billionaire CEOs contribute their fair share, to help address the cost of living crisis that continues to hammer the British public and hold back our economy, and protect our democracy. We'd be happy to meet with you and your team to discuss this matter.

Yours sincerely,

Faiza Shaheen, Executive Director, Tax Justice UK

Daniel Kebede, General Secretary, National Education Union

Rebecca Gowland, Executive Director, Patriotic Millionaires UK

Tom Wills, Director, Trade Justice Movement

Ali Forder, Interim CEO, Global Witness

Rosa Curling, Director, Foxglove

Neal Lawson, Executive Director, Compass

Maria Ron Balsera, Executive Director, Center for Economic and Social Rights

Will Snell, Executive Director, Fairness Foundation

Mike Lewis, Director, TaxWatch

Nick Dearden, Director, Global Justice Now

Tom Darling, Executive Director, The New Contract

UK Stop Trump Coalition

Liz McKean, Executive Director, War on Want

Emma Hughes, Head of Organising and Campaigns, Just Treatment

Nienke Palstra, Director of Campaigns and Policy, People vs Big Tech

Tom Burgess, Chief Executive Officer, Taxpayers Against Poverty

Veronica Hawking, Director of Campaigns, 38 Degrees

Sara Hall, Co-Executive Director, Positive Money

Joe Guinan, President, The Democracy Collaborative

Conor O'Shea, Campaign Coordinator, Cost of Living Action

Revd David Haslam MBE, Chair, Church Action for Tax Justice West Midlands

Rosie Venner, Director, JustMoney Movement