August 2026

Changes to France's Video Streaming Tax Risks Exacerbating Discriminatory Taxation of U.S. Digital Services

Introduction and Background

France maintains a tax regime on the physical and online distribution of audiovisual content through the *taxe sur les services vidéo* (TSV), established in 1993. It has since been expanded to include the Video-Sharing Platform tax (TSV-G), which took effect in 2017 and applies to advertising and sponsorship revenues generated by qualifying video, streaming, and video-sharing services available to users in France, including on a cross-border basis, and a tax on on-demand audiovisual content access services (TSV-P), which applies to services providing access to audiovisual content for a fee upon request made via electronic communications to consumers residing in France. The TSV-G and TSV-P were originally set at a rate of 2%[1] but were increased to 5.15% in 2020,[2] and now further changes are contemplated. TSV-G revenues are directed to the National Center for Cinema and the Moving Image (CNC) to support French audiovisual and cultural production. The TSV-G generated €45.5 million in 2025, more than five times its 2020 revenue, while the TSV-P generated €155.1 million in 2025.

Current law provides a €100,000 general allowance and, importantly, a 66% reduction in the taxable base for qualifying free services whose principal purpose is providing access to audiovisual content created by private users. As a result, only 34% of qualifying revenues from these services are currently included in the tax base. However, in a July 2026 report from the National Assembly Finance Committee,[3] parliamentarians proposed several amendments to the TSV. These include a proposal to eliminate the 66% reduction in the taxable base for the TSV-G, substantially increasing the amount of revenue subject to the 5.15% levy (see Recommendation No. 1) and significantly expanding the scope of on-demand AV access services subject to the TSV-G and TSV-P (see Recommendation No. 7). The July report recommends these changes under the claim that increasing professionalization of content and growth of connected-TV viewing have reduced the distinction between video-sharing platforms and traditional audiovisual services. The parliamentary report estimates that eliminating the 66% reduction in the taxable base for the TSV-G would generate more than €70 million in additional annual TSV-G revenue, all of which would be allocated to the CNC. The report suggests that some of those additional revenues could support French documentary, animation, and other audiovisual creation.

Although the tax is not formally limited to foreign companies, its burden falls heavily on U.S. digital platforms. CCIA estimates that eliminating the allowance could cost covered companies roughly $500 million over the next five years, while directing additional revenue to France's

---

[1] https://www.legifrance.gouv.fr/jorf/article_jo/JORFARTI000033734409
[2] https://www.legifrance.gouv.fr/loda/article_lc/LEGIARTI000039793407
[3] https://www.assemblee-nationale.fr/dyn/17/documents/tsv/l17n462658460_document.pdf

domestic audiovisual sector and further compounding the tax and regulatory burden U.S. suppliers already face in the French market. Furthermore, the proposed expansion under Recommendation No. 7 of the National Assembly Finance Committee represents a substantive broadening of the taxable scope under the guise of a mere "clarification," creating significant operational complexity and further departure from foundational principles of EU media law.

Key Provisions and Concerns

Disproportionate Burden on U.S. Digital Services

Although the TSV-G is not formally limited to foreign companies—the July parliamentary report identifies both YouTube and French-owned Dailymotion as covered services within the regime[4]—its economic burden falls disproportionately on U.S. digital platforms. The same report notes that the principal taxpayers under the TSV-G are large international platforms, primarily American.[5] Eliminating the 66% reduction would therefore significantly increase the tax burden borne by U.S. suppliers.

Similarly, the TSV-P primarily affects foreign, especially U.S. based firms. The July parliamentary report attributes increases in TSV-P revenue to the "strong growth of SVOD services, particularly U.S. platforms" and separately notes that "general-interest paid streaming platforms-particularly from the United States-dominate the SVOD market." This is represented in revenues collected, in which the report finds that the top ten TSV-P taxpayers account for more than 95% of revenue. Recommendation No. 7 would deepen this imbalance by expanding the definition of taxable services to include new methods of content distribution (such as live streaming, continuous infinite-scroll video feeds, and algorithmic recommendation engines) that are predominantly operated by U.S. companies.

Shifting the Cost of French Audiovisual Policy Toward Digital Platforms

The TSV-G is separate from the tax regime applied to traditional television broadcasters, with its proceeds allocated directly to the National Center for Cinema and the Moving Image (CNC). This distinction is particularly important in the context of France's 2027 budget. The 2026 Finance Law[6] reduced the tax burden on traditional broadcasters by excluding certain advertising-sales costs from the television tax base and expanding a €30 million allowance. These changes contributed to an approximately €34 million shortfall in CNC revenues,[7] and the National Assembly report explicitly cites the resulting need to diversify CNC funding as a reason to reconsider the taxation of streaming platforms.

---

[4] Canal+, the French company operating Dailymotion, has not claimed the 66% allowance because it determined that Dailymotion does not satisfy the statutory criteria, while other comparable platforms have claimed it. The distinction is not entirely clear-cut, however, because the law does not clearly define what constitutes a "private user" or when a service "principally" provides access to user-created content, leading to inconsistent interpretations among companies and tax authorities.
[5] Google, Meta, Amazon, and major social-media platforms together accounted for 74% of French digital advertising revenue in 2024, while European companies represented just 21% of the market. https://www.sri-france.org/observatoire-epub/33eme-observatoire-de-le-pub/
[6] https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000053508155
[7] https://www.lemonde.fr/economie/article/2026/01/16/les-deputes-votent-une-baisse-de-taxe-qui-ampute-le-budget-du-cnc-et-profite-a-m6_6662573_3234.html?srsltid=AfmBOoq5zxw3hJfzApDyd8ZeMzPXZCaD_SPL5d92iX20gLuE30TFnDiY

This proposed increase in the tax burden on digital platforms is in part to offset revenue lost through tax relief provided to traditional broadcasters—in essence, burdening what are largely foreign firms, to the benefit of local competitors. The proposal would shift a greater share of the cost of financing France's audiovisual system toward digital services, despite fundamental differences between user-generated-content platforms and traditional broadcasters that commission, acquire, and exercise editorial control over programming.

Substantive Broadening and Departure from EU AVMS Directive Principles

Recommendation No. 7 proposes redefining taxable services under Article L. 453-26 of the Goods and Services Tax Code (GSTC) to capture live streaming, continuous feeds, and algorithmic recommendations. While framed as a "clarification," the parliamentary report itself acknowledges that the current statutory framework was designed strictly for catalog-based on-demand video upon individual user request and does not capture these new distribution models. Expanding the regime to these business models is therefore a substantive broadening of scope that departs from established principles of European media law.

The French VST regime has historically been anchored in the foundational concepts of the EU Audiovisual Media Services Directive (AVMSD), most notably the requirement of editorial responsibility. Under the AVMSD framework, regulatory and sector-specific fiscal obligations are intrinsically tied to the entity that exercises effective editorial control over the selection and organization of audiovisual content made available to the public. Expanding the TSV-P merely by reference to payment or distribution flows detaches the tax from editorial responsibility, improperly sweeping in technical intermediaries, payment facilitators, and app marketplaces that do not create, curate, select, or organize third-party content.

Operational Complexity and Overreach into Non-Audiovisual Transactions

Expanding the TSV-P to live streams and social platform features threatens to capture a vast array of monetization models that have no functional or economic equivalence to traditional audiovisual access. Accordingly, the taxable scope should be limited to payments made specifically in consideration for access to on-demand audiovisual content, while expressly excluding payments for general platform access, social interaction features, fan engagement tools, virtual items, donations, tipping, enhanced visibility, messaging functionalities, gaming-related features, productivity tools, or other non-audiovisual benefits included in the same service.

Without clear statutory carve-outs, the proposed expansion risks taxing gross platform revenues that are entirely unconnected to audiovisual media consumption. Furthermore, the existing legal framework lacks clear, objective apportionment rules for bundled or mixed-benefit transactions. In the absence of binding allocation methodologies based on economic reality—such as relative standalone market value or cost-based approaches—taxpayers and intermediaries face immense administrative burdens and the constant threat of arbitrary assessments during tax audits.

Limited Benefit for Online Creators Generating the Tax Base

Although the TSV-G generated approximately €44.4 million in 2025, only €3 million was allocated to a fund supporting online creators.[8] The vast majority of revenues instead flowed to the CNC to support France's broader audiovisual ecosystem. Thus, rather than supporting the creators and digital ecosystem that generate the taxable activity, the proposal would use higher taxes on digital platforms to subsidize France's broader audiovisual and cultural sector, effectively transferring revenue from U.S. digital services to domestic industries—overlooking how digital platforms and domestic producers can work as complementary partners to scale domestic production.

Cumulative and Overlapping Tax Burden

The TSV-G is also one component of a broader tax burden facing U.S. digital suppliers in France. Companies subject to the tax may also be liable for France's separate digital services tax (DST), as well as VAT and income tax, leaving some U.S. suppliers subject to double or even triple taxation on their activities in the French market.[9] Expanding the TSV-G would compound these overlapping obligations and further increase the cost of supplying digital services in France.

The proposed expansion of the TSV-P raises similar concerns. Broadening the definition of taxable services to capture live streaming, short-form video feeds, and algorithmic content distribution would subject an additional set of transactions to the TSV-P alongside existing DST, VAT, and income tax obligations. This is compounded by the proposed split tax liability mechanism in the recommendation, which would allow the tax to be apportioned across multiple parties in the payment chain, creating simultaneous TSV-P liability for U.S. platforms and U.S. intermediaries involved in distributing or process payments for these services. This mechanism formally severs the tax from the AVMSD concept of editorial responsibility, allowing tax authorities to assess liability on both the upstream content creator/provider and downstream payment or distribution intermediaries.

Because the statute fails to define core concepts—such as "content provider," "transferred consideration," and "person receiving consideration"—and imposes no obligation on stakeholders to coordinate their tax base valuations, the 2027 regime creates severe risks of double counting and overlapping taxation on the same economic transaction, taxation of technical intermediaries on revenue streams they do not economically retain; and inconsistent, conflicting apportionment methodologies across different participants in the same supply chain.

Recommendations

- **Retain the existing 66% reduction** for qualifying user-generated-content platforms and avoid further expansion of the TSV-G in the 2027 budget.

---

[8] https://www.boxofficepro.fr/lancement-mission-flash-tsv/; French Senate testimony has separately highlighted that Google and Meta account for a substantial share of the tax burden: https://www.senat.fr/rap/r25-875/r25-875_mono.html
[9] See CCIA's statement on the French DST here: https://ccianet.org/news/2025/10/ccia-statement-on-french-dst-increase/; see CCIA's analysis of DSTs in key markets here: https://ccianet.org/library/2026-status-of-key-digital-services-taxes/

- **Reject the recommendation to extend the VST to new methods of content distribution**, or, at a minimum, establish statutory exclusions and clear allocation rules for bundled services, ensuring that any taxable base is strictly limited to payments made for audiovisual content access, while expressly excluding non-audiovisual monetization (e.g., tipping, fan engagement, virtual goods, messaging, gaming), and mandating market value or cost-based apportionment methodologies to govern mixed subscriptions and in-app bundles.

- **Limit intermediary liability to the net consideration retained by the intermediary and directly attributable to the taxable audiovisual component**, with clear coordination mechanisms to prevent double taxation across the supply chain.

- **Avoid shifting CNC funding burdens onto digital platforms**, particularly to offset tax relief provided to domestic traditional broadcasters.

- **Account for the cumulative tax burden on digital suppliers**, including the TSV, corporate income tax, and France's digital services tax, before imposing additional sector-specific taxes.