

## Section 81: Deduction for Digital Services Taxes

### Part 04-06-03

This document should be read in conjunction with section 81 of the Taxes Consolidation Act 1997

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## Executive Summary

The purpose of this manual is to outline the rules in relation to the tax deductibility of Digital Services Taxes.

### 1 The General Rule

Tax under Case I and Case II of Schedule D is charged without any deduction other than a deduction authorised by the Tax Acts. Section 81 allows for deductions in respect of expenses incurred wholly and exclusively for the purposes of a trade.

### 2 Digital Services Taxes

Digital Services Taxes (DSTs) are levied in a number of jurisdictions. They are charges typically levied on revenues associated with the provision of digital services and advertising.

Where the following DSTs have been incurred wholly and exclusively for the purposes of a trade, Revenue is prepared to accept that they are deductible expenses in computing income of that trade:

1. Austria's Digital Services Tax
2. France's Digital Services Tax
3. Italy's Digital Services Tax
4. Kenya's Digital Services Tax
5. Spain's Digital Services Tax
6. Turkey's Digital Services Tax
7. United Kingdom's Digital Services Tax
8. India's Equalisation Levy

Queries in relation to DSTs levied in other jurisdictions should be made in writing via [My Enquiries](#) to the RTS Query Management Team (QMT) as contained in Appendix B of the Revenue Technical Service Tax and Duty Manual (37-00-00A). The list of DSTs above may be updated as required.