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Trump Threatens 100% Tariffs on Countries That Tax U.S. Tech Companies

The warning escalates a dispute with Europe and puts French wine exports at renewed risk in the American market.

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President Donald Trump has threatened to impose a 100% tariff on goods from any country that adopts a digital services tax on American companies, escalating a trade dispute with Europe that could again put French wine exports at risk.

In a social media post on Friday, Trump said several European countries were moving closer to implementing taxes on large U.S. technology groups and warned that any such move would trigger an immediate response from Washington. “Any Country that imposes such a Tax will immediately be met with a 100% TARIFF on any and all Goods sent to the United States of America,” he wrote.

Trump also said the new tariff threat would override existing or pending trade agreements with the United States. That statement raised fresh uncertainty around the U.S.-European Union trade arrangement reached last year, which capped U.S. tariffs on European goods at 15% in exchange for EU countries lowering tariffs on U.S. industrial goods to zero.

The warning came one day after EU countries met Trump’s July 4 deadline to reduce tariffs on U.S. goods, according to Reuters. It also followed renewed friction with France over its tax on digital companies, an issue that has repeatedly spilled into sectors far removed from technology, including wine and other beverages.

Before traveling to a Group of 7 summit in France, Trump had already singled out French wine, saying the United States would “have no choice” but to apply 100% tariffs unless Paris dropped its digital tax. That earlier threat has returned attention to one of the most exposed parts of France’s export economy: wine shipments to the American market.

For producers, importers and distributors, the dispute matters because a tariff fight over digital taxation could quickly raise costs on French bottles sold in the United States, squeezing margins across the supply chain and pushing retail prices higher. Even if no tariff is imposed, the threat alone can unsettle orders, pricing plans and inventory decisions for wine businesses that depend on stable access to the U.S. market.

French President Emmanuel Macron said last week, before meeting Trump at the G7 summit, that France would not yield to pressure from Washington and would not scrap its digital levy on major U.S. tech companies. France has applied the tax since 2019.

The French measure imposes a 3% levy on revenue earned in France from certain digital services, including online marketplaces and advertising, when companies generate more than €25 million in revenue in France and more than €750 million worldwide. Last year, French lawmakers proposed doubling that rate to 6%, adding to tensions with Washington.

The Office of the U.S. Trade Representative has for years argued that digital services taxes unfairly target American firms, which dominate much of the global tech sector. The agency has threatened retaliatory tariffs not only against France but also against Britain, Austria, Spain and other European countries considering or applying similar taxes.

Trump’s latest warning broadens that pressure by making clear that any country adopting such a tax could face blanket duties on all exports to the United States. That would mark a much wider response than targeting selected products and would deepen concerns among European exporters already dealing with shifting U.S. trade policy.

For France, wine remains one of the most politically sensitive products in any tariff dispute with Washington because it is both a major export and a symbol of national industry. A 100% tariff would sharply reduce competitiveness for French wines in the United States by effectively doubling import costs before distribution and retail markups are added.

That risk extends beyond wineries in Bordeaux, Burgundy or Champagne. Importers, restaurant buyers, retailers and beverage wholesalers in the United States could also face disruption if tariffs force them to replace French labels, renegotiate contracts or absorb higher costs. Sparkling wine, still wine and premium spirits from France could all come under pressure if trade retaliation expands beyond rhetoric.

At the broader level, Trump’s threat adds another layer of strain to transatlantic economic relations at a time when both sides had been trying to stabilize trade rules after months of negotiation. The EU had moved through what Reuters described as a lengthy legislative process to fulfill its commitments under last year’s agreement after Trump previously threatened to restore a 25% tariff on imports from Europe, including cars.

Now the dispute has shifted back to digital taxation, an issue that European governments see as part of their effort to tax large multinational technology companies where they generate revenue, while Washington sees those measures as discriminatory toward U.S. business.

No new tariff order had been announced as of Sunday beyond Trump’s public threat. But his comments signaled that if European governments proceed with digital services taxes, sectors such as wine could once again become collateral damage in a conflict that began with tech policy and has spread into trade, agriculture and beverages.