THE TERMINATOR TAX

A 10% levy on what the largest companies earn from AI and robotics, charged where the customer is, and spent on the workers and communities who carry the cost of the transition.

THOSE WHO PROFIT FROM REPLACING HUMAN WORK SHOULD PAY FOR WHAT MAKES US HUMAN.

THE IDEA IN BRIEF

The Terminator Tax is a global idea that any country, or group of countries, can adopt. It takes the mechanics of the digital services taxes that France, Italy and Spain already collect and applies them to the fastest-growing source of corporate revenue in the world: artificial intelligence and the machines it drives.

Yes, the name is provocative. People already picture machines taking their jobs, and we would rather put a fair answer next to that image than spend our time telling them not to worry. The policy behind it is simple: one rate, one base, collected with tools that already exist.

THE PROBLEM

The IMF estimates that almost 40% of jobs worldwide are exposed to AI, and about 60% in advanced economies. Roughly half of the exposed jobs could end up worse off rather than better off. Meanwhile, most of the gains go to a small group of firms that own the models, and increasingly the machines that put them to work in warehouses, factories and on the roads.

Our welfare states are paid for mostly by taxes on work. When a task moves from a person to a machine, the base that funds pensions, health care and unemployment insurance gets smaller. Tax codes make it worse: research by Acemoglu, Manera and Restrepo found that in the US labour is taxed at several times the effective rate applied to equipment and software.

The physical footprint is growing just as fast. The IEA expects data centres to use around 945 TWh of electricity by 2030, about as much as Japan uses today. Host communities pay through grid upgrades, power prices and water use.

Taxing profits would miss most of this. The big model labs still lose money, and profits are easy to shift abroad. The windfall so far has gone to chip makers: Nvidia's net income went from $4.4bn to $120bn in three years, and very little of it is booked where its customers are.

THE PROPOSAL

A single levy on the revenue large groups make from AI and robotics, charged in the country where the customer is. Because it falls on revenue rather than profit, it applies today, even while the labs are loss-making, and it cannot be dodged by moving headquarters or booking profits elsewhere.

DESIGN	PROPOSAL
What is taxed	Revenue from AI compute (cloud capacity for training and running models), AI services such as model access and separately billed AI features, and autonomous robots and robotaxis, whether sold, leased or provided as a service
What is not	Conventional factory machinery and pre-programmed industrial robots, IT consulting, and sales of chips and servers, so the levy does not fall on investment in infrastructure
Who pays	Groups with worldwide revenue above €750 million. Startups and most challengers are left out
Rate	10% of in-scope revenue
Where	Wherever the customer is, regardless of where the company is based
How	Built on the digital services taxes already collected in France, Italy and Spain, which use the same €750 million threshold

WHAT IT COULD RAISE IN ITS FIRST FIVE YEARS

€120BN UNITED STATES	**€43BN** EUROPEAN UNION	**€10BN** GERMANY	**€9BN** UNITED KINGDOM
€8BN JAPAN	**€7BN** FRANCE	**€4BN** CANADA	**€3BN** ITALY

Central estimates of total revenue over 2028-2032 at a 10% rate, after allowing for avoidance and for some customers cutting back. The EU figure is for an EU-wide levy; the others are for each country acting alone. In our high scenario the figures are up to twice as large.

In the EU, the levy would raise about €5.4bn in its first year and €12bn a year by 2032. From 2029 it would bring in more each year than the €6.8bn the European Commission expects from CORE, the corporate levy it has proposed for the next EU budget, and almost three times what the EU's four national digital services taxes raised in 2025.

WHERE THE MONEY GOES

The revenue should go to the people and places carrying the costs. Budget rules rarely allow strict earmarking, so this is a political commitment, delivered through a transition fund or dedicated budget lines where the law allows.

STREAM	WHAT IT PAYS FOR	SHARE
Worker protection	Income support, retraining and stronger bargaining for workers whose jobs are cut or reshaped	35%
Essential public services	Health, care, education and housing, the services that hold people up through change	30%
Environmental repair	Repairing the damage data centres do to water, land, energy grids and the climate	20%
Global transition	Compute, power and skills for lower-income countries, so the AI economy does not open a new gap between rich and poor nations	15%

WHY IT WORKS

THE OBJECTION	THE ANSWER
It will drive investment away	The levy follows the customer, not the data centre or the headquarters, so moving abroad does not avoid it. And because chips and servers are excluded, it does not tax investment in infrastructure.
It will make AI more expensive	Some of it will be passed on, as happened with digital services taxes. At 10%, prices could rise by 5-10%. But Epoch AI estimates that the cost of a given level of AI capability falls 5-10 times a year, which cancels that increase out within two to three weeks.
"AI revenue" cannot be defined	Digital services taxes already define which revenue is in scope, and the major providers bill AI compute, model access and robots as separate products.
It breaks EU law	The Court of Justice has upheld turnover-based taxes on large firms, including taxes that fall mostly on foreign-owned companies, and has ruled that such taxes are not state aid.
The US will retaliate	Washington has threatened tariffs on any country that taxes American tech firms. That is why the tax works best when countries act together, and why it matters that the idea is already on the table in the US Congress itself.
Why "Terminator"?	Because everyone already pictures machines replacing people. We want to put a fair answer next to that fear.

EUROPE FIRST

Europe has the precedents, the market and the budget negotiations to move first. An EU-wide levy would raise the most, rest on the firmest legal ground and give the strongest answer to US pressure, because trade retaliation would have to target the whole bloc.

A single country can start sooner. Italy could add the levy to its existing digital services tax through the next budget law, raising about €310m in its first year and around €900m a year by 2032. Every national levy makes the case for a European one harder to refuse.

OWN YOUR FUTURE

The future of AI will be decided by whoever organises in the next few years. It can be us. It must be us.

SIGN THE PETITION

Add your name to the call on every government to introduce a Terminator Tax.

JOIN AN AI-FREE ZONE

Meet face to face to talk about our future and decide together how to act. Find or host one at humanresistance.co.

JOIN HUMAN RESISTANCE

A political movement to keep the power and wealth generated by AI under people's control.

SOURCES IMF (2024) on AI and jobs · Acemoglu, Manera and Restrepo on the taxation of labour and capital · IEA, Energy and AI · Nvidia annual results, fiscal 2026 · Epoch AI on inference costs (2026) · Court of Justice of the EU, Hungarian turnover tax cases (2020) and Polish and Hungarian state aid cases (2021) · European Commission own-resources proposal (2025) · CCIA data on digital services tax revenue (2025). Revenue figures are from our economic assessment of the Terminator Tax, available on this website.