

Should we tax the Internet?

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Key points

1. BEPS
2. The Digital Economy
3. Special Internet Tax?
4. VAT Policy Options
5. Corporation Tax Policy Options
6. Conclusions

1. BEPS

Base Erosion and Profit Shifting

◆ G20

◆ OECD: Action Plan

◆ EU: Action 1 – Digital Economy

2. The Digital Economy

- **Characteristics
of the Digital Economy**

3. A Special Internet Tax?

- ◆ National attempts
- ◆ Copyright or other levies

4.1 VAT Policy Options

OECD

→ Treaty Provisions
no double taxation
observe Apps

observe Interactivity

→ Exchange of Information

4.2 VAT Policy Options EU

→ Destination Principle B2B / B2C

→ One Single VAT Rate

→ Single One-Stop-Shop

5. Corporation Tax Policy Options

- ◆ no special tax regime for digital companies
- ◆ no destination based corporation tax

6. Conclusions

◆ no ring-fencing

◆ VAT B2B reverse charge

◆ VAT B2C destination principle

◆ VAT treatment of Apps