

# Tax Challenges of the Digital Economy – Taxation of Personal Data in the E-Economy

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**Research question:** How can problems related to the taxation of personal data and the digital economy be solved: by modifying the “permanent establishment” (PE) concept or completely switching over to destination-based income taxation?

## Chapter 1: Introduction

- Overview: Identification of tax challenges of the digital economy
- Where does idea come from that (personal) data might play a role?
- Research question
- Methodology

## Chapter 2: Principles of Taxation and Status Quo of the Digital Economy

- Corporate direct tax systems: residence and source vs. destination
- Taxation of the digital economy: overview of historic context, status quo of challenges and proposed solutions

## Chapter 3: Personal Data in Direct Tax

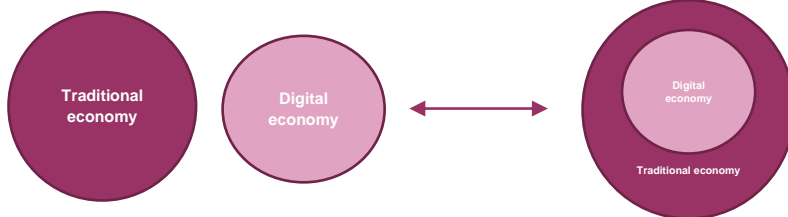
- Where do data play a role? (social networks, online advertising, cloud computing,...)
- Solutions of different States: UK diverted profits tax, Hungarian advertising tax, Italian transfer pricing rules, and others (Israel, Australia, New Zealand, India)

## Chapter 4: Fundamental Rights and Data Protection Law Impact on Tax

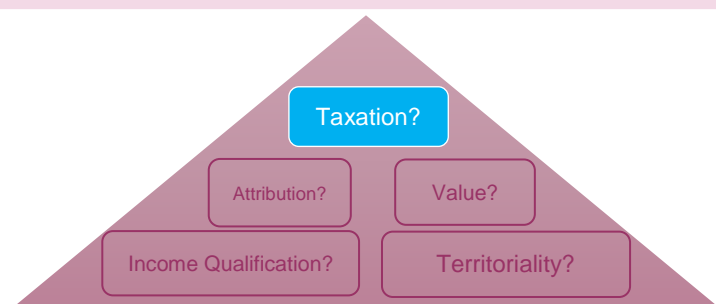
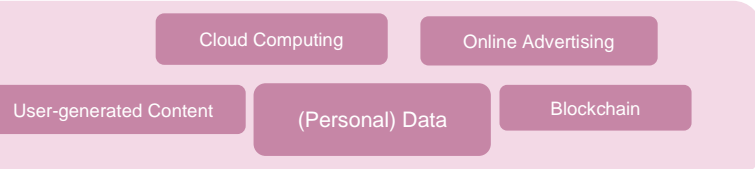
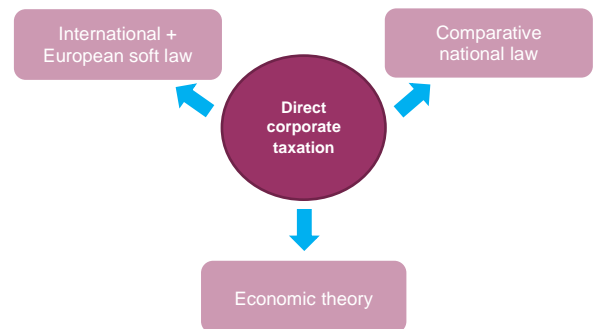
- ECHR, EU Charter of Fundamental Rights
- General Data Protection Regulation
- Right to privacy, right to family and private life, right to informational self-determination

## Chapter 5: Proposals and Conclusions

- Adaptation PE concept? Introduction of a specific tax?
- Modification of the whole direct tax system towards destination-based corporate income taxation?



## Methodology:



➔ **From Residence + Source towards Destination?**

## Points to discuss:

- Include VAT aspects in research?
- How to create a nexus/enforce effective taxation?
- Residence or source vs. origin or destination?
- What is the place of users/place of usage?
- Examples for the role of data in taxation?
- Could the C(C)CTB proposal solve the issues?

Thank you for all your questions and comments.