

Routledge Studies in Development Economics

TAXATION IN THE DIGITAL ECONOMY

NEW MODELS IN ASIA AND THE PACIFIC

Edited by

Nella Hendriyetty, Chris Evans, Chul Ju Kim,
and Farhad Taghizadeh-Hesary



Taxation in the Digital Economy

A robust and efficient tax administration in a modern tax system requires effective tax policies and legislation. Policy frameworks should cover all aspects of tax administration and include the essential processes of capturing, processing, analyzing, and responding to information provided by taxpayers and others concerning taxpayers' affairs. By far the greatest challenges facing tax administrations in all countries are those posed by the continuing developments in the digital economy. Whereas societies are grappling to come to terms with the transitions from the third industrial or digital revolution, revenue authorities grapple with the consequences for the sustainability of their tax bases and the efficient administration and collection of taxes. This book presents a critical review of the status of tax systems in Asia and the Pacific in the era of the digital economy.

The book suggests how countries can maximize their domestic resource mobilization when confronted by the challenges that digitalization inevitably produces, as well as how they can best harness or take advantage of aspects of digitalization to serve their own needs. The full implications of the COVID-19 crisis are still too uncertain to predict, but it is clear that the crisis will accelerate the trend toward digitalization and also increase pressures on public finances. This, in turn, may shape the preference for, and the nature of, both multilateral and unilateral responses to the tax challenges posed by digitalization and the need to address them.

This book will be a timely reference for those researching taxation in the digital economy and for policymakers.

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Abbreviations

ACA	annual compliance arrangement
ADB	Asian Development Bank
ADR	alternative dispute resolution
ALP	arm's length principle
ANCOVA	analysis of covariance
ATO	Australian Taxation Office
BEPS	base erosion and profit shifting
CBDT	Central Board of Direct Taxes
CIT	corporate income tax
COVID-19	coronavirus disease
CPAF	certified public accounting firm
CRM	compliance risk management
CRS	Cash Receipt System
CTCP	Cooperative Tax Compliance Program
DGT	Directorate General of Taxes
e-BSS	e-Bill of Supply System
e-TIN	electronic tax identification number
ETT	electronic transaction tax
FATCA	Foreign Account Tax Compliance Act
FFS	fully filled service
FIRST	Future Inland Revenue Systems and Technology
G20	Group of 20
GRI	Global Reporting Initiative
GST	goods and services tax
GTP	Golden Tax Project
HTS	Home Tax Service
ICC	International Chamber of Commerce
ICT	information and communication technology
IMF	International Monetary Fund
IPAA	Institute of Public Administration Australia
IRS	Internal Revenue Service
Lao PDR	Lao People's Democratic Republic
MNC	multinational corporation

MNE	multinational enterprise
NBR	National Board of Revenue
NGH	Next-Generation Hometax
NPG	National Payment Getaway
NTA	National Tax Agency
NTCA	Netherlands Tax and Customs Administration
NTIS	Neo Tax Integrated System
NTS	National Tax Service
ODI	Open Data Institute
OECD	Organisation for Economic Co-operation and Development
PIT	personal income tax
PFS	pre-filled service
PRC	People's Republic of China
PwC	PricewaterhouseCoopers
ROK	Republic of Korea
SDG	Sustainable Development Goal
SDS	State Data-Sharing
SEP	significant economic presence
SMEs	small and medium-sized enterprises
SOE	state-owned enterprise
STP	Single Touch Payroll
SYTSS	Simplified Year-End Tax Settlement System
TAL	tax assessment letter
TCF	tax control framework
TCL	tax collection letter
TIS	Tax Integrated System
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
US	United States
VAT	value-added tax
VIF	variance inflation factor
WEF	World Economic Forum