Taxation of the collaborative economy

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Economic developments

Figure 2: Estimates for the size of the collaborative economy across Europe

Revenues facilitated by the sharing economy in Europe by sector (€bn, 2013-2015)

- 2013: €1bn
- 2014: €1.8bn (80%)
- 2015: €3.6bn (97%)

Total transaction value facilitated by the sharing economy in Europe by sector (€bn, 2015-2025)

- 2013: €10bn
- 2014: €16bn (56%)
- 2015: €28bn (77%)

Source: PwC (2016) "Assessing the size and presence of the collaborative economy across Europe"
A european agenda for the collaborative economy

Communication June 2016

Opportunities

Challenges
Issues - Press headlines

France: Airbnb paid less than $77,000 in tax in France in 2015 - Le Parisien (11 August 2017)

France: Fines on Airbnb hosts are exploding in Paris – Le Monde (11 August 2017)

UK: Airbnb’s edge on room prices depends on tax advantages – The FT (2 January 2017)

UK: Uber’s main UK business paid only £411,000 in tax last year – The Guardian (10 October 2016)
Challenges

Ensuring tax neutrality
level playing field

For all actors, all taxes
Service providers

Challenges in terms of tax compliance and tax administration:

- Uncertainty in classification of income (e.g. profits vs costs sharing), in applicable tax rules
- Fragmentation of sources of income

>>> both result in increase in compliance & administration costs
Service providers

- Information campaign and simplification of the rules
- Involvement of platforms to exchange data on taxable income
Platforms

- Outdated tax rules
- Ensuring that the value created in the Single Market is taxed
Platforms

Technical solutions:
  - Virtual PE?
  - CCCTB?
  - Advertising tax? Withholding tax on digital transactions? Levy on turnover?
  - ??

>> Pros and cons
>> Need for coordinated approach, workable solution
Thank you for your attention