

ABSTRACT

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Intermediaries and VAT in the Platform Economy

The doctoral thesis will examine whether the Platform Economy, as frequently assumed, indeed threatens to 'disrupt' tax law (enforcement). In the Platform Economy, boundaries are blurred between active market participants and consumers. Since substantive value added tax (VAT) law uses the 'substance-over-form'-principle, according to which the economic reality or 'substance' is assessed instead of the legal form of transactions, it is projected that VAT law applies to the new business models.

Furthermore, the thesis will outline whether and how tax enforcement functions in a borderless economy. Based on knowledge gained from the taxation of electronically supplied services and online gambling, I assume that with regard to services VAT legislation is not sufficiently enforceable at present. It is expected that there are deficiencies in the law enforcement system, where a link between global online (business) activity and national territory cannot be established and where information-reporting entities are entirely removed. The thesis will thus propose measures to counteract weaknesses in the current system, i.e. obliging internet platforms to act as intermediaries between the taxpayers and the government by reporting information and/or paying VAT on behalf of suppliers. Merely extending government control in order to reduce enforcement deficits, without ensuring respect for fundamental rights would certainly not be appropriate. Instead, a balance must be struck between effective tax enforcement and sufficient protection of the individual's privacy.

European VAT legislation has been subject to innovative amendments adapting it to the increasing digitalization of our economy over the past years. Due to the harmonization of VAT law at the European level and the fact that the Platform Economy exceeds national borders, research on this topic is highly relevant within and beyond Austria's jurisdiction and could bring a new perspective to governments outside of the European Union.