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# New Taxes

Show me the money!

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# Background

- COVID-19 pandemic has increased need for government spending (grants or loans) or targeted tax exemptions in order to keep the economy going
- To finance these measures, the governments need to borrow, cut costs, raise existing taxes or invent new taxes
- This has brought back into discussion new possible taxes that have been debated for years as well as new inventions

## "Old taxes"

- Income/capital gain tax
- Payroll tax / social security contributions
- Public services fees
- Corporate income tax
- Value added / sales tax
- Net worth tax
- Real property tax
- Stamp duty
- Inheritance and gift tax
- Various excise taxes
- customs tariff



Is there leeway to increase these?

# Digital Services Tax

- OECD work on BEPS action 1 followed by “pillar I and II”
  - allocation of profits between source and resident countries irrespective of requirement of physical presence and
  - establishing a level for worldwide minimum tax rate
- The slow progress has led to numerous countries introducing their own (temporary) DST solutions taxing revenues on e.g. social media platforms, online advertising and digital marketplaces
- Current environment is likely to enhance this development
- Which countries are gaining and which countries are losing in this development?

# Financial Transaction Tax

- A tax on securities / currency / derivative transactions
- Originally a need to slow down an overheated economy?
- Tobin tax
- There are already some variations adopted by a few countries
- EU initiative for FTT:
  - tax on exchange of shares and bonds and derivative transactions between financial institutions
  - to be implemented through enhanced co-operation procedure without unanimity
  - will the current environment speed up this process?

# Other new taxes

- EU single market tax
- Energy taxation
  - Reform process of EU energy tax directive
  - Used often as an environmental legislative tool
- Other environmental taxes
  - Plastic tax
  - Waste tax
  - Carbon tax
  - Rush-hour charge
- Health related taxes
  - Alcohol / tobacco / fat / sugar
- Robot tax
- New anti-avoidance regimes

## Question for the break-out groups

- In your own jurisdictions, what new taxes have your governments introduced or are considering introducing?



# Contact information



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