

Commission gathers views on how to tax the digital economy fairly and effectively

The current tax framework does not fit with modern realities. It was designed in a pre-computer age and cannot capture activities which are increasingly based on intangible assets and data. As a result, there is the risk of shrinking tax bases for Member States, competitive distortions for businesses and obstacles for innovative companies.

Pierre Moscovici, Commissioner for Economic and Financial Affairs, Taxation and Customs, said: *"Nobody can deny it: our tax framework does not fit anymore with the development of the digital economy or with new business models. Member States want to tax the huge profits generated by digital economic activity in their country. We need a solution at EU level, bringing robust solutions for businesses and investors in the Single Market."*

As set out in the Commission's [Communication](#) on Digital Taxation, solutions to taxing the digital economy should ideally be found at international level, given the global nature of the problem. However, the EU also needs to develop its own coherent approach to this challenge, to ensure the fair and effective taxation of all companies and to support the Digital Single Market. As requested by leaders at the [European Council on 19 October 2017](#), the Commission is working on new proposals on digital taxation, which it will present in early 2018.

The Commission is particularly interested in gathering views on the main problems related to taxing the digital economy, for Member States and business. It also asks for feedback on possible solutions to these problems – both targeted, temporary measures and comprehensive long-term solutions. This [public consultation](#) will feed into the work underway on the digital taxation proposals for next year and runs until 3 January 2018.

For more information:

[Public consultation on the fair taxation of the digital economy](#)

[Commission Communication on digital taxation](#)

[Press release on the Communication on digital taxation](#)

[MEMO](#)

[Factsheet on Digital Taxation](#)