

Questions and Problems Regarding the Taxation of Digital Companies

Abstract

The phenomenon of digital services raises a number of issues related to taxation: as digital companies can provide services in several countries at the same time, it is not clarified, for instance, on what basis (services, domicile of the company, consumers) tax rules are determined. As currently there is no comprehensive international rule that would adequately address the issue, the present study seeks to examine national rules that deal with the problem of taxation of digital companies. The paper focuses on French and Czech rules: the French GAFA law was the first legislative act to reflect to digital taxation, and the Czech law may be interesting because it was drafted with special regards to Central European conditions. The national rules are analysed in the light of the EU draft directive – which has not yet entered into force – as it could serve as a starting point for national legislators.