

INTRODUCTORY SPEECH AT JVI

Future of Taxation Course

September 12-16, 2022

Speech by Jeffrey Owens

WU Global Tax Policy Center is pleased to continue its participation in this series and I personally am very happy that the JVI is getting more engaged in the tax area.

All of the issues at the top of the current political agenda – from dealing with the energy crisis, climate change, growing inequalities in income, and implementing the ESG and SDG agenda – all of them raise tax issues.

The challenge for your governments is how to raise the revenues needed to deal with these issues (and we are talking of billions of Euros), but at the same time avoid that any new taxes will harm achieving a sustainable growth path.

Markus and his team have identified many of the key issues that are currently being discussed in the tax area and it will be a challenge to get through such a rich agenda in five days.

A few comments relevant to the topics for this week:

1. Over the next five years, we are going to see a transformation of the role of tax administrations. They are going to become more standard setters than verifiers of outcomes. Much of the traditional work of assessment and collection will be outsourced
2. New technologies will open up new opportunities for tax policy to address long-standing issues, such as designing smart environment taxes, new ways of taxing the rich, new types of tax incentives, and new tax basis (e.g. big data).
3. We will see increased integration of tax and benefit systems with tax administrations taking over the deliverance of many social benefits (COVID already forced governments to begin this process).
4. All of these changes will fundamentally alter the profile of officials working on tax policy and administration and the officials of the future will require a much greater emphasis on an understanding of new technologies.

There will also be risks attached to this transformation:

- Will governments protect the confidentiality of the mass of new information they will have access to?
- Will new real-time access by TA to information change the balance of power between the TA and the taxpayer in favour of the administration?
- Another risk is that as technologies make it easier to collect taxes, so this may over time lead to less accountability of governments to its citizens.

There is also a transformation taking place in our international tax rules and in particular in the way we tax large MNE's. The so-called Two Pillar solution. The jury is still out as to whether these proposals will achieve a true international consensus, and even if they do: Will we see a consistent implementation?

I am sure that our discussions over the next five days raise other issues. Let me close by apologizing for not being with you this week in Vienna, but a number of my colleagues from WU will be participating.