



Journal of Information, Law & Technology

Book review

Global Perspectives on E-Commerce Taxation Law

By Subhajit Basu

Reviewed by

David Salter

University of Warwick
D.R.Salter@warwick.ac.uk

This is a book review published on 24th October 2008.

Salter, D., “Global Perspectives on E-Commerce Taxation Law by Subhajit Basu”,
[JILT 2008\(1\)](#), <http://go.warwick.ac.uk/jilt/2008_1/salter>

Global Perspectives on E-Commerce Taxation Law, Subhajit Basu (Ashgate, Aldershot, 2007, pp. 333 + viii, hardback, £60.00, ISBN 978 0 7546 4731 7).

In many ways, this book, which is published in the Markets and the Law series, provides in its examination of the still topical and fundamentally important subject of the taxation of e-commerce a fascinating case study of the reactive process engendered by the adaptation of national and international legal norms and related administrative practice to evolving economic and technological change.

In the case of e-commerce, this is a process that, as this book shows, has raised and continues to raise wide ranging questions (upon which opinions may differ markedly) relating, in particular, to the extent to which extant fiscal regimes at sub-national and national levels might (or might not) accommodate e-commerce and, in the international arena, with regard to the adequacy of the present and commonly used criteria for the allocation of taxing rights and the concomitant division of tax revenues between countries in respect of cross border transactions. These questions, in turn, bring into play those principles, such as equity and efficiency, which together with matters of policy inform and influence any appraisal of whether existing fiscal paradigms should be revised and, if so, to what degree.

The author draws on a generally well chosen and diverse bibliography (although some reference to *Knechtle* and *Qureshi* in relation to jurisdiction to tax might have been expected), and provides an instructive account of the challenges that e-commerce poses for direct and indirect tax regimes, especially in the context of cross border transactions where the allocation of competing taxing rights is commonly determined by reference to notions, such as territoriality, that are inextricably linked with the physicality of traditional economic activity – a factor which to use the author's terminology is 'de-emphasised' when transactions are conducted in a digital environment.

The author's account is instructive because it provides a detailed, if not always well edited, exposition of the gradualist evolution of national and international responses to the taxation of e-commerce and the critical significance of e-commerce in terms of loss of revenue to revenue authorities and the erosion of tax bases. More generally, however, it is a timely identification and reiteration of those matters that should underscore the approach to the taxation of e-commerce particularly the need to ensure neutrality in the taxation of traditional commerce and e-commerce, an awareness of the most acute problems associated with the taxation of e-commerce i.e. information gathering, collection and enforcement and of the importance of international co-operation in resolving the challenges posed by e-commerce. The account also exhibits the author's willingness to embrace these matters and, in so doing, to advocate the use of the technology that created e-commerce as a potential means of problem resolution. This is especially evident from the plausible proposal mooted in the final chapter in relation to consumption taxation for tax collection to be undertaken by digital intermediaries (ISPs). It is, perhaps, in these latter respects that the value of the author's contribution to the literature in this area of inquiry may be particularly appreciated.

http://go.warwick.ac.uk/jilt/2008_1/salter