



FIRST FRIDAYS: SEMINAR SERIES IN ECONOMIC POLICY

The New World of E-Commerce Taxation

Friday, September 5, 2003, 9:30–11:30 a.m.
Wohlstetter Conference Center, Twelfth Floor, AEI

Cross border sales, through the Internet or other channels, are commonly taxed on the basis of their destination, not the country or state of their origin. This structure is uniformly acknowledged as terribly complex, burdensome, and inefficient. Sales and purchase decisions are distorted by the tax advantage enjoyed by cross-border sellers over many of their more traditional competitors. Moreover, because this system effectively allows many Internet sales to escape taxation, governments are deprived of revenues.

Reform proposals—advanced principally by government and intergovernmental institutions and supported by industries that feel threatened by the growing e-commerce sector—advocate keeping taxes based on destination and favor the addition of a new system of intergovernmental tax harmonization and simplification. National and international harmonization efforts, however, will only make the taxation of cross border sales more complex, burdensome, and inequitable, not less so. Instead of extending an already broken destination based sales tax system to e-commerce, Michael S. Greve, the John G. Searle Scholar at AEI, proposes that the system be reformed in order to tax cross border sales on the basis of their origin and not their destination.

9:15 a.m. Registration

9:30 Introduction: KEVIN A. HASSETT, AEI

Presenter: MICHAEL S. GREVE, AEI

Discussants: DANIEL SHAVIRO, NYU School of Law
PETER MERRILL, PricewaterhouseCoopers LLP

Moderator: KEVIN A. HASSETT, AEI

11:30 Adjournment

I will attend the seminar on Friday, September 5.

Name: _____
Title: _____
Affiliation: _____
Address: _____
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For media inquiries, please contact Veronique Rodman at 202.862.4871 or vrodman@aei.org.