

TAXING THE DIGITAL INDUSTRY: NAVIGATING THE NEW LEGAL AND POLICY LANDSCAPE

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Abstract

The digital industry, which is often not bound by geographical boundaries, presents great challenges to the traditional taxation system, especially in terms of determining jurisdiction and profit allocation. The research method used is literature. The results show that tax reform in the digital era requires a multifaceted approach that includes policy reform, implementation of modern technology, and effective international coordination and cooperation. These results provide guidance for policymakers to create a more equitable, inclusive, and sustainable tax system in the face of the evolving dynamics of the digital industry.

Keywords: Tax, Digital Industry, Legal Landscape, New Policy.

Introduction

The rapid development of digital technology has fundamentally changed industry structures and business models. Turning to cyberspace, companies are now able to reach global markets without geographical boundaries. However, this fast-paced transition also leaves new problems that are difficult to anticipate, one of which is related to the traditional taxation system. (Buriak, 2023).

Taxes have been the main source of revenue for the state and a tool of economic policy. However, virtual business poses a dilemma, how the state can collect its tax rights in this borderless blurred space. Many countries are now actively innovating by introducing new regulations such as digital taxes or reforming existing tax structures.

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