

The Swedish Tax Agency's work to tax the sharing economy

Summary and recommendations

The Swedish National Audit Office (Swedish NAO) has examined whether the Swedish Tax Agency's work on taxing the sharing economy is effective. The overall conclusion is that the work has mainly been carried out efficiently, but that the information from the agency needs to be improved. For example, the Tax Agency could do more to present simple information on its website that is easy to understand for actors in the sharing economy. The Tax Agency has carried out well-considered controls, but their effectiveness may be limited in the long term.

Audit findings

The Tax Agency has carried out proactive work focused on the sharing economy.

Since 2015 the Tax Agency has monitored the sharing economy, and has good knowledge of the challenges faced by actors in the sharing economy. The aim of the work has been to gather several perspectives – including from agencies and actors in the sharing economy. The agency has also worked to clarify tax law issues as well as being helpful and accessible to answer questions.

The audit shows that the Tax Agency's controls have been justified by either detected risks or by the agency's need for knowledge acquisition and method development. At the same time, the agency has covered a wide range of industries and types of platforms in its controls. They have also continuously evaluated the outcome of the controls, and implemented other measures based on what has emerged in evaluations.

The Tax Agency needs to ensure that the information is easy to understand.

The Tax Agency's website is its primary information channel. The information that is directed at actors in the sharing economy could be improved in several respects. Among other things, it needs to be clearer who should do what and how. References to important additional information are also missing.

In the audit, we also investigated the Tax Agency's information directed to private individuals who have been subject to control and written answers to questions submitted to the Tax Information Service. Control cases clearly show what type of documentation is requested and the agency has been careful to attach any additional information and auxiliary forms. However, in its decisions, the Tax Agency could explain more clearly how it has evaluated the comments and documentation that the person undergoing controls has submitted. Answers to questions put to the Tax Information Service have mainly provided adequate information, but some answers would have been better if to a greater extent they had been adapted to the specific question.

The responsibility for following up and managing information on the website is unclear. It is either shared or not identified at all in the Tax Agency's guidelines and procedures. Follow-up and management can be more systematic if there is a clearer identified responsibility.

Efficiency of future controls dependent on a new EU directive

The controls of the sharing economy have been costly to carry out in terms of number of decisions or how much increased tax the Tax Agency could decide on. In addition, it has been difficult to carry out equivalent controls between different platforms and providers. The attention that the controls have received in the media may have contributed to a growing number of people reporting income from platforms, but the Tax Agency cannot ultimately count on such an effect.

On 1 January 2023, a European reporting system for revenue from digital platforms will start to be used. The implementation of this will be crucial to the extent to which the problem of missing statements of income can be rectified. The simplest would be if the data can be used to pre-print information on the income tax return. However, the new reporting system will not solve all problems. The system's benefit will also be limited in that the Tax Agency will not have access to data on Swedish providers' income from Swedish platforms. In addition, the Tax Agency will continue to have to rely on individual control measures regarding payments of social security contributions and VAT.

Recommendations

The Swedish NAO makes the following recommendations to the Swedish Tax Agency:

- Ensure that the information about the sharing economy on the Tax Agency's website provides good guidance on how income should be declared.
- Clarify the internal division of responsibilities regarding the management and follow-up of information on the Swedish Tax Agency's website.

The Swedish NAO makes the following recommendations to the Government:

- Work to ensure that information that is reported in the new reporting system can be pre-printed on the income tax return.
- Investigate the possibilities of allowing the new reporting system to also include Swedish providers on Swedish platforms.