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## Shaping Tomorrow's Taxation: Why Sweden Needs an Interdisciplinary Research Center\*

*There is a need to adapt the Swedish tax system to challenges from new business models based on new technology, globalization, and sustainability requirements. The rapidly changing world, where Sweden is not an isolated player but interacts on a global scale, calls for an in-depth analysis of how to design a sustainable and legitimate tax system that finances our future public welfare. The need to reform the Swedish tax system is not new, several proposals have been presented. However, this is the first time that the creation of an interdisciplinary research group featuring a broad range of competences is proposed, involving public finance, technical competences, anthropology and legal dogmatics. In this article, we argue for the need to create an interdisciplinary tax research center and report on an inspiring international workshop "Taxation and the Rule of Law in a digital world: How, where, and by whom?" held at the Pufendorf Institute in Lund, April 2024.*

### 1 INTRODUCTION

Many tax systems in the world, including the Swedish, were thought out and designed in times that look very different than today. Although they had a national focus, the international corporate tax rules stem from agreements made by the League of Nations in the 1920s. In the late 1980s and 1990s, many nations, including Sweden, undertook major tax reforms to respond to the economic conditions and challenges posed in that particular era. Since then, most tax systems have been altered and mended, and international cooperation on corporate taxation has increased. But despite this, the basic answers to what, where, and whom to tax remain, while the world has changed drastically, making it harder to define, measure, and control taxation. We argue that it is time for a major reform, but to do so more knowledge is needed.

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Globalization continues and the use of modern technology, not least digitalization, has radically transformed the economy. Today it is possible to consume, invest, receive an education, and work without being physically present. Our contemporary world has in certain regards become borderless, where many businesses and individuals can operate without considering national borders. Yet, taxation has not followed suit. Taxation is still a national capacity that relies on space and time and is designed for a world where the value of activities can both be measured and assigned to a specific geographical location. To tax we need to be able to determine *what* to tax, typically this is value creation measured as income, *where* to tax this income, that is in what jurisdiction, to *whom* the income belongs, that is what production factor created the income, *when* the income was conducted and finally how *big* the income is. While national tax laws attempt to provide clear and precise answers to these questions, it is undisputed that they have not adapted to the digital shift in our economy. The normative requirements of a good tax system – legitimacy, efficiency, transparency, simplicity, and fairness – are not fulfilled. Redesigning and finding new applicable tax rules need a multi-disciplinary approach.

This article argues for a more proactive approach to tax reform and not just as a reaction to existing and outdated rules unfit to solve modern challenges. Contemporary responses include reactive amendments adding to current tax legislation, resulting in an increasingly complex and overcomplicated regulatory framework.<sup>1</sup> We report from a recent interdisciplinary and international workshop “Taxation and the Rule of Law in a digital world: How, where, and by whom?”. The broad and insightful discussion underlined an urgent need to form a Swedish tax center where researchers from across disciplines can work on policies one step ahead of, or at least in phase with, structural changes.

The legal tax framework is increasingly being challenged by globalization and technological advances that enable global supply chains, the rise of intangible assets and data-driven value chains, cross-border digital trade, 3D printing, as well as artificial intelligence (AI), and automation of analytical work. The ultimate challenge arises from a disruption of the link between localization and identification of a state’s power to tax. In short, digitalization is challenging the tax system, and by extension the ability to finance public welfare, not in the shape of a single disruptive revolution,

<sup>1</sup> Arbesman, S. *Overcomplicated: Technology at the limits of comprehension*. Penguin 2017.

but through a potentially large number of small disruptions and perturbations that accumulate over time.

For instance, digitalization shifts the balance between tangible and intangible assets. Digitization of records and information, the generation of data in digital networks, and the software bias in innovation and industry,<sup>2</sup> all contribute to the increasing importance of intangible assets. Furthermore, computational capacity and bandwidth at falling cost make it possible to substitute physical capital (digital hardware) with computing and software as a service, which in turn enables international software-based and data-driven value chains. In a digitalized economy, it is thus much harder to disentangle value creation and assign it properly to a physical place or a specific actor. These intangible and often knowledge-intensive assets are also much easier to relocate and distribute across several geographical locations. Consequently, they are becoming increasingly hard to tax according to traditional rules and current tax regulations.

Today, it is possible for firms to create value without being physically present in a specific geographical market. Large tech companies, like Amazon, Google, Meta, Apple, and Microsoft create value in Sweden but, by traditional standards, are untaxed for the profits arising from their sales in Sweden as they lack physical presence. Add to this that AI may be supplied as an international software-based and data-driven service that is used to substitute labor across several locations. E-commerce allows supply and demand to be matched on a nearly global market. Consequently, individual consumers and small businesses can engage in economic activities on an international scale which used to be the privilege of large companies with the resources necessary to internationalize their business.

Individuals may also unbundle economic activities from location as they are able to work remotely both on a regional and international scale. They can live in one place, work in a second, make investments in a third, consume education in a fourth, and take part in public welfare in a fifth. This raises issues about appropriate tax collection while it may create incentives for individuals to plan strategically to minimize taxation.<sup>3</sup> Al-

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2 Andersson, M. Kusetogullari, A. & Wernberg, J. Software development and innovation: Exploring the software shift in innovation in Swedish firms. *Technological Forecasting and Social Change* 2021, 167, 120695. Andersson, M. Kusetogullari, A. & Wernberg, J. Coding for intangible competitive advantage-mapping the distribution and characteristics of software-developing firms in the Swedish economy. *Industry and Innovation* 2023, 30(1) pp. 17–41.

3 Hansson, Å. *Digitaliseringens konsekvenser för skattesystemet*. Entreprenörskapsforum 2023.

though there are many reasons for relocating activities, taxes seem to matter for those choices.<sup>4</sup>

Taxation is still a national capacity, and each country has sovereignty over tax matters, but international tax cooperation has increased. Under the lead of OECD but with the EU and even the UN aiming to take a more active role concerning mainly corporate taxation. Examples of results coming out of international cooperation is the minimum effective corporate tax rate (Pillar II) and suggestions for a redistribution of corporate income tax (Pillar I). The proposed international tax regulations are very complex and administratively burdensome for both tax authorities and taxpayers. The question is also if they really tackle the problem or just add more complexity and thus costs. Or as Marian puts it “The two-pillar framework may indeed improve income tax collection and compliance. But it does not transcend the challenge of the current data economy. It is still an attempt to square the circle—to force a century-old framework of taxation designed for a tangible economy into the reality of the data economy”.<sup>5</sup>

The impact of digitalization on the Swedish tax system may be large as Sweden has among the highest marginal tax rates on labor in the world and a highly decentralized welfare system with large differences in both tax rates and tax bases across the country’s 290 municipalities. The Swedish tax system also exhibits an unusually large difference in taxation between labor and capital. All these characteristics make the Swedish tax system more vulnerable to increased labor mobility enabled by digitalization. None of these technology-driven changes is likely to overhaul the Swedish tax system on its own, but together they may undermine the ability to generate enough tax revenue to finance the public sector. Ultimately, it is an empirical question to estimate the magnitude of the effects.

Even though basically all stakeholders in the tax arena see a need for tax reform none of the many suggestions<sup>6</sup> have received the traction needed

4 Dagan, T. Klaus Vogel Lecture 2021: Unbundled Tax Sovereignty, refining the Challenges, IBFD, *Bulletin for International Taxation* 2022, pp. 318–328.

5 Marian, O. Taxing Data, *BYU Law Review* 2022, 47, pp. 511–555.

6 Eklund, K. Vårt framtida skattesystem – en ESO-rapport med förslag på en genomgripande skattereform. *Rapport till Expertgruppen för studier i offentlig ekonomi. No 7*. Stockholm: Finansdepartementet 2020; Finanspolitiska rådet, *Ett enklare och effektivare skattesystem*. Stockholm: Finanspolitiska rådet 2020; Hansson, Å. *Ett skattesystem för ett starkare Sverige*. I Eklund, K. (ed.) *Omstartskommissionen – idéer för ett starkare Sverige*. Stockholm: Stockholms Handelskammare 2020; Hansson, Å. *Ett skattesystem för Sverige i en global värld*, SNS förlag 2022.

to be taken up by a political party and make it to the Swedish Parliament. Furthermore, the proposals are mainly reactive and relate to the existing rules and tax system instead of addressing the contemporary economic reality. The complex patchwork of Swedish tax law with its manifold amendments is not geared to respond to the current challenges of the digital and borderless economy.

## 2 MORE RESEARCH IS NEEDED TO TACKLE NEW CHALLENGES AND UPDATE THE TAX SYSTEM

To tackle how structural changes caused by digitalization may challenge the current tax system multi- and interdisciplinary work within the field of taxation is required. Several Swedish researchers both within tax, technology, and public welfare and from different disciplines have initiated such work: e.g., the Swedish Tax Force for the Future<sup>7</sup> and Digitax at Lund University as well as CATS (Critical Approaches to Taxation and Society) Network at Göteborg University. Digitax is an Advanced Study Group at the Pufendorf Institute at Lund University during 2023–2024 that continues as a Theme during the academic year 2024 to 2025.

Our overarching goal is to create an multi- and interdisciplinary policy-relevant research center/environment on taxation in Lund. Despite the importance of taxation for financing the public sector, and for incentivizing certain activities (like entrepreneurship and innovations) and disincentivizing other activities (like climate change) there is no interdisciplinary policy-relevant tax research platform in Sweden. Compared to when the last tax reform was implemented, we have much more knowledge about taxation's impact on society. In economics, new methods and access to data have drastically increased the knowledge about taxation and its effects on individual and firm behavior. Moreover, new fields have emerged such as

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<sup>7</sup> We are grateful to the initiative taken by Pernilla Rendahl and Katarina Nordblom for organizing a first workshop in Göteborg in 2022.

behavioral economics<sup>8</sup>, economic psychology<sup>9</sup>, critical tax theory<sup>10</sup>, and fiscal sociology<sup>11</sup> and anthropology.<sup>12</sup>

The importance of interdisciplinary expertise cannot be stressed enough when it comes to forming this research network. There is an obvious need for technical expertise to understand how technological changes affect the economy. This requires scholars in tax law and tax economy but also recognizes a need to address the social impact. We look outside Sweden for inspiration, not only on actual tax policies but also on how to set up an interdisciplinary research environment for taxation, e.g. Digitax in Antwerpen. Furthermore, we think Lund University is the ideal place in Sweden for hosting this research environment. Partly because we have already established a well-functioning interdisciplinary network, partly because we have a great potential to expand the group by providing graduate programs, and not least the very location in between Stockholm and Brussels (where national versus EU tax policies are designed).

Based on existing work, we have so far developed a conceptual framework to identify and categorize relevant issues arising from digitalization and structural change along three dimensions: 1) geography, 2) value creation, and 3) complexity (interdependences). Geographical issues arise from shifts in the link between location and economic activities, but also the increased geographical spread. Globalization proliferates and the digitalization of market activities further fuels this expansion. Issues related to value creation capture shifts in the distribution and coordination of economic activities within and between actors, in and between locations. Complexity issues arise from the increased interdependencies between different types of actors and activities in the digitalized economy, for example through the use of digital platforms and cloud services. New actors

8 Hashimzade, N., Myles, G. D. and Tran-Nam, B. APPLICATIONS OF BEHAVIOURAL ECONOMICS. *Journal of Economic Surveys* 2012, 27(5), pp. 941–977.

9 Kirchler, E. *The economic psychology of tax behaviour*. Cambridge: Cambridge University Press 2007.

10 Zelenak, L. Taking Critical Tax Theory Seriously. *NORTH CAROLINA LAW REVIEW* 1998, 76(5), pp. 1521–1580.; Gracia, L. and Oats, L. Boundary work and tax regulation: A Bourdieusian view. *Accounting, Organizations and Society* 2012, 37(5), pp. 304–321.

11 Martin, I. W., Ajay Mehrotra and Prasad, M. *New Fiscal Sociology: Taxation in Comparative and Historical Perspective*. Cambridge Univ Press 2010.

12 Björklund Larsen, L. *Shaping Taxpayers. Values in action at the Swedish tax agency*. Oxford: Berghahn Books 2017; Boll, K. Shady car dealings and taxing work practices: An ethnography of a tax audit process. *Accounting, Organizations and Society* 2014, 39(1), pp. 1–19.

enter the tax arena and new business models in the digital economy proliferate. The complex issues and interdependency between countries, when national borders are erased and international organizations like the OECD steer the tax agenda, raise questions of legitimacy for the tax system and concerns around the democratic process of the new tax rules.

These are questions we will address, all focusing on how a sustainable future tax system could look.

- What, where, and whom should be taxed in a sustainable tax system? To develop a new tax system, it is crucial to determine what rules to follow and that these rules are sound. What should they be? Some of today's rules are over a century old and may no longer be suitable for a global and digital world.
- How will the current tax system uphold the rule of law, transparency, and tax compliance compared to new rules and new ways to tax?
- What alternative tax bases could be taxed in the future? Data/information, energy, natural resources, revenue rather than income, fees rather than taxes, fictional income rather than real income? What are the pros and cons of different tax bases?
- What changes can be made on the public expenditure side? It is necessary and maybe even desirable to make changes to the expenditure side of the public sector to reduce the need for tax revenues.
- What method of cooperation can an interdisciplinary group apply to reach its goals? While legal dogmatics tend to interpret the law as it stands as an expression of the social contract, social sciences add a normative approach addressing questions of how tax laws *should* be designed.

### 3 WORKSHOP ON TAXATION AND THE RULE OF LAW IN A DIGITAL WORLD

As a stepping-stone to acquiring state-of-the-art knowledge about digitalization and taxation, a workshop on the theme was organized and generously funded by Riksbankens Jubileumsfond. The workshop "Taxation and the Rule of Law in a digital world: How, where, and by whom?" was hosted by the Pufendorf Institute at Lund University between April 17 and 19, 2024. The aim of the workshop was twofold. First, to learn and be inspired by leading researchers and stakeholders in Europe working on the



topics of digitalization and taxation in combination. Second, to bring together researchers and practitioners working on similar interests to establish future collaboration. The conference participants represented many stakeholders and actors in the tax arena: tax administrators, tax advisers, participants from international organizations, and tax scholars from across disciplines.

The conference covered five important and partly overlapping themes in separate panels briefly summarized below.

*1. Stronger together? The interdisciplinary perspective on taxation in a digitalized world*

Our workshop started with an interdisciplinary panel discussing perspectives on Taxtech – the use of technological and digital tools in taxation. We had collectively chosen to address the topic of fairness in Taxtech as fair taxation principles are not clear-cut but involve equitable treatment, transparency, and alignment with societal values. We recognized that the potential for disruptive technologies to enhance fairness might be contradictory. It was pointed out that already vulnerable groups of taxpayers may be excluded as they might not have access or knowledge to use what in many countries have been mandatory digital tax reporting.<sup>13</sup> Another topic was the lack of legal protection systems for all; when controls are automated and one taxpayer may question the result, how will all other taxpayers who are affected by the same issue be helped?<sup>14</sup> The Dutch childcare benefit scandal, *toeslagenaffaire*, illustrated the point of unfairness already built into the algorithmic assumptions.<sup>15</sup> In addition to racial bias in selecting taxpayers, any applicant caught having made the slightest error applying for benefits had to reimburse all funding that had been received. In the Netherlands, this provoked personal financial havoc and ultimately the resignation of the government. Looking from a macroeconomic per-

13 Ojo, A., Walsh, G., Zeleti, F.A., and Mulligan, E. *Generating SDG-related Public Value – A Systematic Review on the use of Emerging Digital Technologies in Public Administration* 2021 SSRN 3927083.

14 Van Hout, D. Fiscale rechtsbescherming en ICT. *Maandblad Belastingbeschouwingen* 2023, 92 (9), pp. 27–37.

15 Hadwick, D., Favier, M. and Tokpo, E.K. Fairness in algorithmic tax enforcement: An interdisciplinary perspective *Working paper* 2023.



spective the panel discussed how tax policies can be designed to promote sustainable and productive employment in a global world.<sup>16</sup>

As the public perceptions of fairness in taxation may mean many things,<sup>17</sup> our discussion highlighted the need for clear communication and policy alignment with practitioners and public expectations. The benefits of an interdisciplinary approach to taxation in a digitalized world were thus underscored.

## 2. *Taxtech – AI, digitalization, and other technologies – and its impact on selection, collection and control*

Digitalization can play a key role in helping tax agencies lower compliance and administrative costs, collect more revenue more efficiently, enhance transparency and service to taxpayers, and accommodate big data flows. However, the digitalization tool is combined with challenges, raising several questions concerning legal certainty and the rule of law. The participants in this session discussed the benefits and challenges of artificial intelligence, digitalization, and other technologies in tax administration.

Digitalization aims to create a seamless, transparent, and efficient tax environment which in turn revolutionizes tax administration by automating processes, enhancing data accuracy, and improving compliance. Tax administrations quickly transition from traditional paper-based, referred to as “Tax Administration 1.0”, to fully automated systems, called “Tax Administration 3.0”, integrating tax processes within taxpayers’ natural systems. As examples, e-tax models and AI/ML implemented by the Swedish and Danish tax administrations to detect fraud and streamline tax processes were described and discussed as well as the adoption of real-time reporting and electronic invoicing. Such inventions capture tax information seamlessly, reducing administrative burdens, and improving compliance.

Audits as we know them are completely changing with real-time reporting. A relevant question is thus who conducts contemporary audits leading to questions of governance and responsibility. At the same time, tax administrations need to guarantee an ethical usage of AI and digital tools to avoid biases, maintain transparency, and uphold procedural fair-

16 Hansson, Å. *Digitaliseringens konsekvenser för skattesystemet*. Örebro: Entreprenörskapsforum 2023.

17 Björklund Larsen, L. *Fair Taxation? Festschrift till Åsa Gunnarsson*. Uppsala: Iustus Förlag AB 2024, pp. 49–66.

ness. If digital systems report, tax, and control, that is, “do the work” – who will ensure the democratic overseeing of the application of the law? Can we trust the machines? Although humans are not flawless, there are serious challenges across the tax arena of how human capacity and knowledge will be construed and maintained in the future.

An important conclusion from this panel was that the digital transformation in tax administration is reshaping the roles and skills required of tax professionals. There is a growing need for both technological competence and ethical considerations. This calls for new forms of collaboration and may change tax professionals’ roles. They must adapt to new technologies, incorporating AI and data analytics into their workflows to enhance efficiency and decision-making requiring technological competence. Continuous learning and adaptation will be necessary to keep pace with evolving digital tools and methodologies.

### 3. *Digitalization and the need for new tax bases?*

One implication of digitalization is that the link between economic activity and geographical presence weakens, which makes it possible to consume, conduct business, work, and create value in a place without being physically present. This dislocation between physical and digital economies causes disruptions in the way we tax and has initiated a range of reforms at the OECD and EU levels (e.g., the two Pillars). But – is the new legal framework appropriate and sufficient to address the problem? How should the digitalized economy be taxed? Are new tax bases required?

During this panel, Pillars I and II and their aims to address tax base erosion and profit shifting (BEPS) while promoting fairness in tax distribution were discussed. Pillars I and II stem from OECD’s frameworks aiming to redistribute taxing rights to market jurisdictions and establish a global minimum tax rate to prevent harmful tax competition and BEPS. Yet, the reform may not be efficient;<sup>18</sup> the adoption of Pillar II may seriously challenge some of the EU’s internal market requirements of mutual recognition.<sup>19</sup> From a pure legal dogmatic approach, the outcome shows a global

18 Dziurdz, K., & Marchgraber, C. GloBE: Why a Nominal Tax Rate of More Than 15% Might Not Be Enough. *Bulletin for International Taxation* 2022, 76(11), pp. 510–520.

19 Brokelind, C., An Overview of Legal Issues Arising from the Implementation in the European Union of the OECD’s Pillar One and Pillar Two Blueprint, *Bulletin for International Taxation* 2021, 75(5), pp. 212–219.

will to endorse an international agreement on taxing added value where it is created, but from the direct tax side as EU's VAT reforms, the consensus is far harder to reach.<sup>20</sup>

Digitalization will likely also increase labor or taxpayer mobility and make it both more costly and difficult to tax labor income.<sup>21</sup> Digitalization and the Zoom revolution enable many, but far from all, to work from home or from anywhere. It is possible to separate the workplace from the place of residence, and the location decision can impact how much tax an individual pays inducing tax competition among jurisdictions to attract taxpayers. If society increasingly experiences digitalization replacing human work, proposals for robot taxation were discussed.<sup>22</sup> A robot tax can be motivated by levying the playing field between capital and labor taxation to prevent labor from being disadvantageously taxed. However, there is no evidence, so far, that robots are replacing labor. Motivating a robot tax on fiscal grounds is currently hard.<sup>23</sup>

During the panel, changes on the public expenditure side were also discussed.<sup>24</sup> This is an enormous challenge and subject for discussion elsewhere. Here the government's role in redistributing over the life cycle was thought to have to change and adjust to new circumstances.

#### 4. Power shifts? Tax anomalies, governmentality, and over-regulation

Democracy, separation of powers, and legitimacy are all highlighted values when it comes to law-making regarding taxes which now seem challenged.<sup>25</sup> The economic and societal reality and law are themselves becoming more complex, cross-borderized, and globalized. The EU and the OECD take over more and more of the tax lawmaking, generating an

20 Senyk, M., The Phenomenon of "Digitalization" of Services: A Critical Analysis of the Place-of-Supply Provisions Applicable to Certain Categories of Remote Services. In M. Papis-Almansa (Ed.), *EU Value Added Tax and Beyond: Essays in Honour of Ben Terra*, IBFD 2023, pp. 133–165.

21 Blix, M & Bustos, E., Money for Nothin' – Digitalization and Fluid Tax Bases. *IFN Working Paper* 2020, No. 1316.

22 Dimitropoulou, C. *Robot Taxation: A Normative Tax Policy Analysis*, IBFD Doctoral Series, IBFD 2024.

23 Hansson, Å. *Digitaliseringens konsekvenser för skattesystemet*. Örebro: Entreprenörskapsforum 2023.

24 Bergh, A. The Rise, Fall and Revival of the Swedish Welfare State: What are the Policy Lessons from Sweden? *IFN Working Paper* 2011, No. 873.

25 Simon-Almendal, T. The Rule of Law in a State of Flux: The Swedish Tax Law Perspective. *Scandinavian Studies in Law* 2023, 69, pp. 344–361.

abundance of rules and regulations, often aiming to stop and minimize the incentives for different kinds of tax planning and tax evasion. In addition, strong and powerful authorities, such as the Swedish Tax Agency, are emerging and getting stronger at the expense of parliament and courts.

These developments may be questioned from several different perspectives. On one hand, they raise questions about how to uphold the principles of equal treatment and predictability, when the legal material appears to be almost boundless and unmanageable. Other questions in the field of legal certainty and the rule of law concern how the legitimacy of the judicial system can be maintained. Furthermore, how is the issue of proportionality in the application of the law ensured when sometimes not only one, but several sanctions can be applied for the same act of non-compliance. On the other hand, these developments pose questions of constitutional character. An interesting question is therefore whether this development is compatible with the principle of the separation of powers.

It was agreed that effective policies and governance frameworks are essential to manage the complexities introduced by digitalization. The shift of powers, over-regulation, and the rule of law were in focus in this section, and we concluded that the democratic deficit with the current overly complex tax systems risks being exacerbated by digital technologies.

##### *5. The impact of Taxtech on legitimacy and tax compliance*

There are many proponents for more sophisticated digital solutions in the tax arena. OECD for example argues that the future consists of the adoption of new automated tax administration models. Such digital solutions should be seamless, frictionless, and aligned with taxpayers' and businesses' lives which shall move tax administrations safely into the future. Simultaneously taxpayers demand easier interlinking, software providers offer various solutions, and tax advisers pursue their agendas looking for new business opportunities. There are many different interests potentially colliding.

We find that the digital imperative and concomitant logic of digitalization within tax administrations raises many questions regarding control, compliance, and legitimacy. What capabilities do the tax administrations have to develop Taxtech? In what way do tax administrations handle digital developments in their current organizing and in relation to contemporary strategies? What type of interactions and controls of taxpayers are

implied in these interactions with the tax administrations? How do these new digital interfaces potentially challenge (or support) the legitimacy of taxation and the general upholding of tax compliance?

While digitalization brings numerous benefits in terms of increased efficiency, compliance, and control, it also introduces complexities and challenges. For example, overregulation, increased administrative burdens, and potential risks to privacy and fairness. One key takeaway in this panel was the risk that digitalization can exacerbate the complexity and lead to overregulation of tax systems, particularly in the EU VAT context. Consequently, compliance costs and administrative burdens will increase. This is especially important to address for small and medium sized enterprises.

Tax administrations are under pressure to increase compliance while working more efficiently. They have a fine line to thread with the increased use of digital technologies ensuring legitimacy and transparency. Transparency, professional empathy, and explainable algorithms are essential to build and sustain trust in digital tax systems. The real risk of bias using digital technology was again brought up in this panel. The Dutch childcare benefit scandal, *Toeslagenaffaire* and the Australian *Robodebt* are just two examples of how vulnerable taxpayers can be wrongly targeted by simple assumptions.

#### 4 CONCLUSION

The workshop and discussions underlined that the opportunities and challenges posed by digitalization on the tax system need to be addressed in an interdisciplinary environment. This is urgent. If we are serious about ensuring fair, transparent, efficient, and legitimate tax systems and if we take seriously the principles of the rule of law, both in theory and in practice, we need to acknowledge the complexity of a changing society. Realizing that taxes and taxation have a profound impact on society, we see a great need for interdisciplinary collaboration to address future tax issues. Our workshop strengthened these beliefs of an interdisciplinary policy-relevant research environment but also pointed to a need to provide adequate education for future tax professionals. Despite our methodological differences and perspectives, we acknowledge a closer collaboration between academia and practitioners engaging in serious and constructive discus-

sions in tax matters. We look forward to continuing the work and engaging with other Swedish – and international – tax practitioners and scholars.

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