



University of Antwerp  
DIGITAX | Digitalisation and Tax  
Centre of Excellence

# How to build a sustainable relation between the taxpayers and tax administration ?

Introduction

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# Panel 1

- **Introduction**

- Why should we study this topic?
- What do we know so far?
- What are today's main research questions?

- **Panel discussion:**

- Insights from psychology – Prof. Dr. Erich Kirchler (Faculty of Psychology, University of Vienna)
- Insights from the taxpayer / enterprises – Mrs. Laurence Pinte (Chair of the Tax Committee, VBO/FEB )

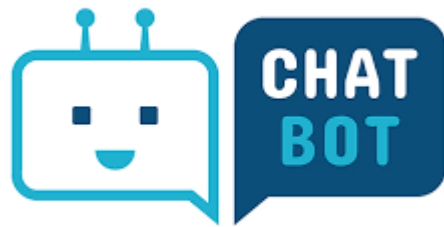


# Why should we study this topic?

- OECD, 2020
- Taxation model of the future
- ***Humanless*** taxation
- Impact?

# The role of human being in the *traditional* taxation model

- Model based on voluntary compliance (and deterrence) and collaboration
- Why? Tax administration does not have all data needed to calculate the (income) taxes
  - Tax declaration:
    - Provide data, qualify data, interpret the law
  - Investigative powers:
    - Formulated as duties of the taxpayer to collaborate
  - Power to assess supplementary taxes and to sanction
    - **dialogue model**: notification, motivation, right to respond, duty to respond
    - Allows for discussion on proof of facts/data, qualification of data, interpretation of the law
    - Allows for proportionality of the sanction / agreement on reasonable taxation /
    - Allows to agree on the assumption that taxation is not always pure mathematics



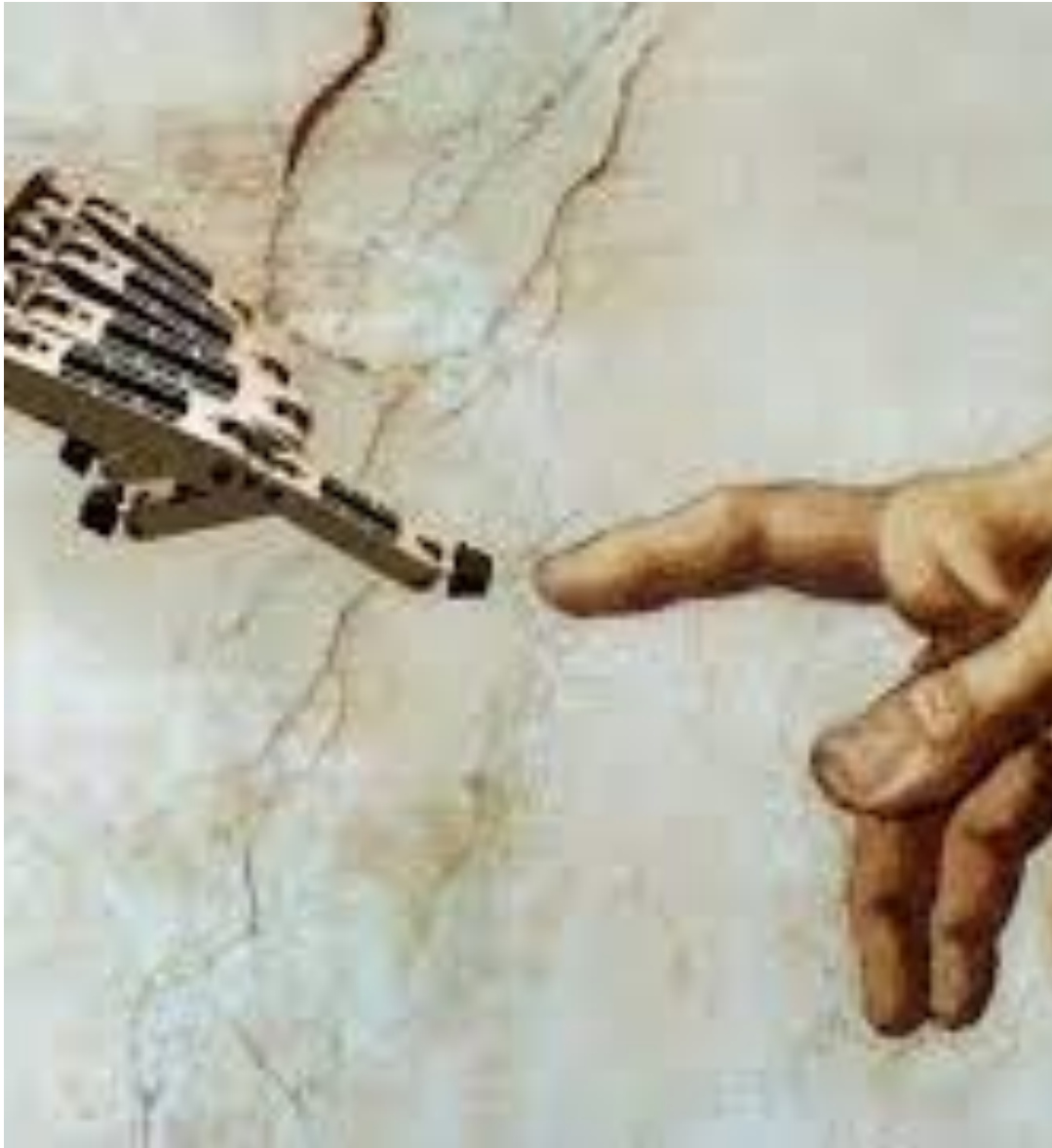
# Leaving the human interaction out is an ongoing process....

- Prefilled declarations
- Selection of taxpayers for audit based on algorithms
- E-audit
  - on site inspections -> copy data
- Communication with chatbots and via online platforms
- Direct communication by phone and mail no longer possible
- ...



# What is the impact of this evolution?

- Tax legislation with a secondary goals
- Fairness perception of the taxpayer subject to automated decision (selected for audit)
  - No explanation can be provided
- Impact of trust in government on humanless communication
- ...
- -> interdisciplinary



# Is there a right for human intervention?

- Two legal grounds:
  - GDPR
  - AI Act

# GDPR

- Art. 22.1 GDPR “The data subject shall have the right not to be subject to a decision based **solely** on automated processing, ..., which produces legal effects concerning him or her or similarly significantly affects him or her.”
  - Tax decisions mostly produce legal effects
  - Principle: a meaningful intervention of a human being is required
    - Article 29 Data Protection Working Party / EDPB: “the controller must ensure that any oversight of the decision is meaningful, rather than just a token gesture. It should be carried out by someone who has the authority and competence to change the decision. As part of the analysis, they should consider all the relevant data”
  - Case Law: Uber : decision to deactivate the Uber account was an automated decision – driver was not heard
    - Gerechtshof Amsterdam, April 4, 2023 (200.295.742/01), ECLI:NL:GHAMS:2023:793



# GDPR

- Art. 22.2 GDPR : Paragraph 1 shall not apply if the decision
  - (a) is necessary for entering into, or performance of, a contract between the data subject and a data controller;
  - **(b) is authorised by Union or Member State law to which the controller is subject and which also lays down suitable measures to safeguard the data subject's rights and freedoms and legitimate interests; or**
  - (c) is based on the data subject's explicit consent.

# GDPR

- Suitable measures?
  - Recital 71 of the GDPR: “**the right to obtain human intervention**, to express his or her point of view and to contest the decision”
  - In tax matters?

# AI Act

- Art. 14: right to human oversight
- During the entire life cycle of the AI app
- But only for high risk AI (annex III)
  - law enforcement
    - Consideration 38: “AI systems specifically intended to be used for administrative proceedings by tax and customs authorities **should not be considered** high-risk AI systems used by law enforcement authorities for the purposes of prevention, detection, investigation and prosecution of criminal offences.
  - Identification with biometric data -> tax administration 3.0
  - AI to be used by public authorities to evaluate the eligibility of natural persons for public assistance benefits and services, as well as to grant, reduce, revoke, or reclaim such benefits and services

# Conclusion

Evolution towards  
a humanless  
taxation

What is the  
impact ? ->  
interdisciplinary

Is there a right for  
human  
intervention /  
human oversight?