

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University

Student:	František Kosař
Advisor:	Doc. Petr Janský, Ph.D.
Title of the thesis:	Impact of Digital Service Tax on tax revenues of EU members

OVERALL ASSESSMENT

Contribution

František Kosař wrote a very good thesis on digital service tax and its potential effects on tax revenue in the European Union.

In terms of contribution, František's thesis is one of the very few studies dealing with the very policy-relevant issue of digital services tax that dares to estimate the potential tax revenue implications for members of the European Union.

Digital service tax is a potentially extremely important policy tool in the age of current globalisation and undertaxation of digital economy. Digital services taxation has been proposed or implemented in many countries worldwide in recent years (including Czechia and the European Union) and there is an intensive discussion on their pros and cons. A part of the ongoing implementation of a global tax deal within the OECD Inclusive Framework has been to put these kind of taxes on pause. But in case this deal falls apart (which is not unlikely), digital services taxes might rise again to prominence and that is when empirical analyses such as the one presented by František might come very useful.

Methods

Methodologically, František's approach is adequate for a bachelor thesis.

František's empirical analysis is limited, as he himself acknowledges and he deserves credit for doing so, by the very short panel available (2016-2020 only) as well as the number of countries (18). His methods are generally suitable for a similar analysis, but the short panel should be a reason for a concern, which should be better handled and discussed in more detail in the thesis. The fact that František's analysis in general does not result into statistically significant results is normal and of course no reason for a concern (and in my opinion it is not worth highlighting statistical significance at a 15% level), but the argument for the choice of the design of the empirical model (regression) and its interpretation should be much clearer. One of the positives of the empirical analysis is that he uses a number of data sets and approaches that enrich his empirical analysis.

Overall, František did a solid job in tackling challenges in the empirical analysis in particular. This is despite the fact that I mostly did not get a chance to properly advise him on the empirical analysis in the thesis at the later stages of his work on the thesis.

Literature

František has done a good enough job of understanding the literature and relating his research to the most closely related papers. He could have made more explicit comparisons of his own analysis with the relevant papers.

The results of the Urkund analysis do not indicate significant text similarity with other available sources.

Manuscript form

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The thesis is written in very good English. The formatting is adequate for a bachelor thesis. Still, some of the parts of the thesis could be written more clearly (and it seems that František did not have much time for rewriting or proofreading).

Suggested questions for the committee

You have dealt intensively with the digital service tax in your thesis. On the basis of your thesis and (perhaps more importantly) other existing evidence, would you recommend its implementation to policy makers in a country that has not implemented it yet?

Summary

In my view, the thesis fulfils the requirements for a master thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade B.

In short, František Kosař did a very good job of writing a thesis and I recommend **a grade of B**.

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	22
<i>Methods</i> (max. 30 points)	25
<i>Literature</i> (max. 20 points)	18
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	83
GRADE (A – B – C – D – E – F)	B

NAME OF THE REFEREE:

DATE OF EVALUATION:

Digitally signed (12. 8. 2022)
Petr Janský

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F