

Online sales tax:

Consultation Response Form

February 2022

# About you[[1]](#footnote-2)

**Your name**

Click or tap here to enter text.

**Your email address**

Click or tap here to enter text.

**Please provide the name of the organisation/business you represent (if applicable)**

Click or tap here to enter text.

**Which of the options below describe the nature of the organisation/business you represent?**

Business representative organisation/trade body

Delivery Services

Professional Services

Online marketplace

Offline Retailer

Omnichannel Retailer

Online Retailer

Think Tank

Local government

Community group

Non-governmental organisation

Charity or social enterprise

Consultancy

Academic or research

Individual

Other

If you answered ‘Other’ above, please provide details

Click or tap here to enter text.

**If you are in business, where is your business established?**

England

Scotland

Northern Ireland

Wales

Other - please state: Click or tap here to enter text.

**If you are a retailer, how many staff does your business employ across the UK?**

0

1 - 10

10 - 49

50 - 249

More than 249

Prefer not to say

**Please provide any further information about your organisation or business activities that you think might help us put your answers in context (e.g. number of stores/warehouses your business operates, which UK regions your business trades in etc.).**

Click or tap here to enter text.

# Chapter 2: Scope

**Question 1.** **Would you favour a tax for all ‘remote’ sales or just a subset of ‘online’ sales?**

‘Remote’ Sales

‘Online’ Sales

Other

Please explain your answer:

Click or tap here to enter text.

**Question 2. How should taxable sales be defined and what would the practical implications be?**

Click or tap here to enter text.

**Question 3. Are there transactions that would be particularly difficult to classify as either online or remote? What are these, and how should these be addressed?**

Click or tap here to enter text.

**Question 4. Should click and collect be exempted? If so, how?**

Yes

No

Don’t know

Please explain your answer:

Click or tap here to enter text.

**Question 5. Should an OST be applied to all goods? Are any exemptions necessary? If so, what are these and why?**

Yes, OST should be applied to all goods

No, some goods should be exempted (please explain which below)

Don’t know

Please explain your answer:

Click or tap here to enter text.

**Question 6. How would a goods-only approach apply to takeaway food?**

OST should include takeaway food

OST should NOT include takeaway food

Don’t know

Please explain your answer:

Click or tap here to enter text.

**Question 7. Do you think that digital products should be included in an OST? How should a “digital product” be defined?**

Yes

No

Don’t know

Please explain your answer:

Click or tap here to enter text.

**Question 8. How can the risk of value shifting from goods to services be reduced, for an OST that has services out of scope?**

Click or tap here to enter text.

**Question 9. Are there other ways you could foresee OST being avoided? How could this be defended against?**

Click or tap here to enter text.

**Question 10.** **Do you think some or all categories of services listed above (including any digital services) should be included in the scope of an OST? Would you add any additional services?**

Yes, all

Yes, some (please explain which below)

No, none

Don’t know

Please explain your answer:

Click or tap here to enter text.

**Question 11. To what extent do businesses currently distinguish between their sales of goods and services in business systems? On what basis do they currently make this distinction?**

Click or tap here to enter text.

**Question 12. Do you agree that an OST should be designed to exclude B2B sales?**

Yes

No

Don’t know

Please explain your answer:

Click or tap here to enter text.

**Question 13. Do you agree that an approach of removing all B2B transactions from scope would be preferable to applying the tax according to the individual transactions (e.g. according to the use of the item sold)?**

Yes

No

Don’t know

Please explain your answer:

Click or tap here to enter text.

**Question 14. What is your preference from the above or any alternative approaches to exclude B2B sales from an OST while limiting administrative burdens on business?**

Click or tap here to enter text.

**Question 15. How do you think a business should be defined for the purposes of an OST?**

Click or tap here to enter text.

**Question 16. Are there other types of entities or transaction types which should be out of scope of an OST e.g. online sales by charities, public bodies or consumer to consumer transactions?**

Click or tap here to enter text.

# Chapter 3: Design

**Question 17. Do you agree that an OST would be levied on vendors?**

Yes

No

Don’t know

Please explain your answer:

Click or tap here to enter text.

**Question 18. How should different intermediaries that sell online on behalf of other businesses be treated with respect to an OST i.e. online marketplaces, franchises, auctioneers, agents and commissionaires?**

Click or tap here to enter text.

**Question 19. Are there situations in which it is not possible to distinguish the vendor from the intermediary, or in which the intermediary plays a crucial role in the sale? How should these be treated?**

Click or tap here to enter text.

**Question 20. Are there circumstances in which it would be appropriate for an intermediary to be liable for an OST, rather than the underlying seller? What are these?**

Yes

No

Don’t know

Please explain your answer:

Click or tap here to enter text.

**Question 21.** **How would an OST define UK customers?**

Click or tap here to enter text.

**Question 22. Should UK-based intermediaries play a role in identifying taxable transactions or be made liable in some cases?**

Yes

No

Don’t know

Please explain your answer:

Click or tap here to enter text.

**Question 23.** **Would either a revenue or a flat fee approach have a greater distortive impact on consumer behaviour? What are the scope and design considerations that would lead to distortion caused by both models?**

Click or tap here to enter text.

**Question 24. Would either approach be particularly preferable? If so, why? Are there any preferences around scope (i.e. different exclusions or exemptions) which would make one of the approaches more preferable?**

A revenue tax would be a preferable approach

A flat fee would be a preferable approach

Don’t know

Please explain your answer:

Click or tap here to enter text.

**Question 25. Do you have experience to share of overseas' taxes on online sales using either model, or similar approaches not covered above?**

Click or tap here to enter text.

**Question 26. What factors should be taken into consideration in setting an allowance? How would this differ for revenue and flat-fee models of an OST?**

Click or tap here to enter text.

**Question 27. What would be a reasonable OST threshold and allowance to set in order to protect small businesses while also making sure the OST generates sufficient tax revenues?**

Click or tap here to enter text.

**Question 28. Do you agree that an OST threshold or allowance should apply once to all businesses under common control?**

Yes

No

Don’t know

Please explain your answer:

Click or tap here to enter text.

**Question 29. Do you agree the threshold or allowance would apply to individual businesses when they operate franchises or sell through online marketplaces?**

Yes

No

Don’t know

Please explain your answer:

Click or tap here to enter text.

**Question 30. Do you consider there to be strong arguments either for or against quarterly or annual reporting? If this hinges on any of the design options laid out in this consultation, please specify which options and why.**

Preference for annual reporting

Preference for quarterly reporting

Other – please specify

Don’t know

Please explain your answer:

Click or tap here to enter text.

**Question 31. Can you provide insight into the overall burden to administer all systems and processes required to support an OST? Do systems currently allow you to identify the features listed above; if so, please provide further details on how this distinction can be made.**

Click or tap here to enter text.

# Chapter 4: Impacts

**Question 32.** **On balance, what would the impact be of an OST with business rates reductions on the scale described above, including on retailers that operate both online and offline?**

Click or tap here to enter text.

**Question 33. Do the potential revenues from such a tax justify the additional administration that it would require of businesses, as well as the design complexities detailed in the previous sections?**

Yes

No

Don’t know

Please explain your answer:

Click or tap here to enter text.

**Question 34. To what extend do you think an OST would impact innovation, efficiency and productivity?**

Click or tap here to enter text.

**Question 35. To what extend do you believe that an OST would impact consumers’ behaviour in favour of in-store retail?**

Click or tap here to enter text.

**Question 36. How do you expect online retail to evolve in the coming decade and how should an OST take account of these?**

Click or tap here to enter text.

**Question 37. What is the evidence for the degree of pass-through of the cost of an OST to consumers? To what extent will this vary depending on the type and value of the goods sold?**

Click or tap here to enter text.

**Question 38. Do you have any data which would support the Government in making an assessment of the incidence of the tax or its distributional impacts?**

Click or tap here to enter text.

**Question 39. In your assessment, what would be the distributional impact of an OST? Are there particular groups who are likely to be worse affected than others? How would this change if an OST were applied as a flat-fee per transaction (or some other similar metric) versus a percentage of firms’ revenue from online sales?**

Click or tap here to enter text.

**Question 40. What environmental impact might an OST have? How would its design affect an OST’s environmental impact?**

Click or tap here to enter text.

# Any other thoughts

**Please feel free to use this section to share with any other thoughts you have on an OST that are not covered by the questions above.**

Click or tap here to enter text.

1. More information on how HM Treasury will use your personal data for the purposes of this consultation is available in Annex B of [the online sales tax consultation document](http://www.gov.uk/government/consultations/online-sales-tax-policy-consultation) [↑](#footnote-ref-2)