

A Perspective on Developing A Strategic Management Framework for Tax Revenue Collection in Online Marketplaces

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Abstract

The growth of e-commerce has substantial implications for tax collection. E-commerce may present both challenges and benefits to taxation. When correctly employed, techniques such as computerized tax filing could significantly improve the collection efficiency of the Bureau of Internal Revenue (BIR). In contrast, electronic transactions may provide difficulties in tracing due to the potentially high transaction volume. Moreover, e-commerce is less constrained by geographical limitations, allowing individuals to do transactions with companies in other countries. The lack of boundaries in e-commerce presents jurisdictional challenges that were not encountered by conventional business operations. Web addresses frequently do not align with specific physical locations, resulting in ambiguity over the jurisdiction of the respective country's tax authority. Studies on the topic reveal an increasing agreement on the necessity for improved legislative frameworks and technical advancements to reconcile internet commerce with tax compliance (Labrador, 2022). Notwithstanding these findings, there exists an imperative to design a customized strategy for the Philippine context, considering the distinct obstacles presented by its digital economy and regulatory framework. This study seeks to examine the existing methods, issues, and possible solutions for tax revenue collection in Philippine online markets. The researcher aims to deliver a thorough analysis that can guide regulatory recommendations and enhance tax compliance among internet vendors. The researcher's mission is to analyze existing data, compare global patterns, and recommend concrete solutions to improve tax collection efficacy in the digital era. This study seeks to investigate the improvement of the Tax Revenue Collection Framework for online marketplaces. This research aims to analyze present issues and inefficiencies in tax administration for digital commerce platforms, identify deficiencies in existing tactics, and propose a comprehensive framework to enhance tax collecting efficacy. The study employed a mixed-method approach, incorporating quantitative descriptive correlation research and qualitative data analysis, to investigate the perceptions of respondents and participants regarding the development of a strategic management framework for tax revenue collection in online marketplaces. The respondents contested the assertions that they possess knowledge of tax requirements pertaining to Internet transactions. The most detrimental aspect in this arena was the equity of tax legislation for online markets. The perception of tax legislation as inequitable significantly reduces tax compliance, since companies are less inclined to adhere to standards they deem unjust. Furthermore, the insufficient support in understanding and applying tax legislation has led internet enterprises to express a predominantly negative view of the aid offered. This asserts that comprehensive educational programs and standards are crucial for navigating the complexities of tax regulations for online businesses. The study examined the enforcement techniques employed to ensure adherence to tax legislation in online markets, revealing a consensus over their ineffectiveness. Marked disparities exist in the beliefs and attitudes of BIR employees over the status of tax revenue collection in online marketplaces, categorized by business characteristics.

Keywords: strategic management, revenue collections, e-commerce, business operations