ITJ | The International Tax Journal

Types of Tax in Crowdfunding Platforms: A Comparative Doctrinal and Policy Analysis

Dr. Salaheddine Abdelaziz [1]

[1] University of M'sila (Algeria)
Email: abdelaziz.salaheddine@univ-msila.dz

Abstract---This article develops a comprehensive taxonomy of taxes arising in crowdfunding—at the level of platform operators, project creators, and investors/lenders—and applies it comparatively to the United States, the European Union/United Kingdom, Australia, and Canada. Using a doctrinal comparative method grounded in primary legal sources (statutes, directives, administrative guidance) and selective secondary literature, we show that crowdfunding transactions are governed not by a bespoke fiscal regime but by the edge conditions of existing rules. Particular emphasis is placed on European Union value-added tax (VAT) chargeability at prepayment for identified supplies, the 'deemed-supplier' mechanism for some platform-facilitated sales, the expansion of platform reporting (e.g., DAC7/OECD MRDP), and the evolution of U.S. information reporting by third-party settlement organizations (Form 1099-K). We formalize timing and characterization tests across donation, reward/pre-sale, lending (peer-to-peer), and equity models; demonstrate their implications through cross-border case studies; and translate doctrine into operational heuristics and policy recommendations. Illustrative tables and figures synthesize jurisdictional differences, reporting pipelines, and the decision nodes that determine indirect tax liability. The analysis builds on an earlier manuscript and provides a rigorous, practitioner-oriented framework for embedding compliance into platform and campaign design. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (Internal Revenue Service, 2024; Internal Revenue Service, 2025). (Australian Taxation Office, 2025). (Canada Revenue Agency, 2013).

Keywords---Crowdfunding, VAT, OSS/IOSS, DAC7, MRDP, sales tax, marketplace facilitator, 1099-K, peer-to-peer lending, equity crowdfunding, platform taxation.

How to Cite:
Abdelaziz, S. (2025). Types of tax in crowdfunding platforms: A comparative doctrinal and policy analysis. *The International Tax Journal*, *52*(5), 2733–2743. Retrieved from https://internationaltaxjournal.online/index.php/itj/article/view/279

The International tax journal ISSN: 0097-7314 E-ISSN: 3066-2370 © 2025

Submitted: 26 June 2025 | Revised: 09 September 2025 | Accepted: 09 October 2025

1. Introduction

Crowdfunding has matured from a niche mechanism for artists and hobbyists into a mainstream vehicle for pre-sales, small-business financing, social giving, and retail investment. Platforms match dispersed contributors with project creators, compressing distance and information frictions through digital interfaces and standardized disclosures. The resulting micro-transactions collectively fund creative works, consumer products, local services, and early-stage companies at a pace and scale that traditional gatekeepers rarely matched. This paper extends a prior manuscript's taxonomy and argument to provide a journal-ready treatment with doctrinal citations, comparative analysis, and applied scenarios. (Australian Taxation Office, 2025).

Taxation, however, has not always traveled at the speed of platform innovation. Rather than inventing new taxes, administrators have extended existing rules to fit the facts: donations vs. sales, loans vs. capital, services vs. goods, domestic vs. cross-border, and intermediary vs. merchant. Those distinctions drive direct-tax outcomes (income, gains, deductions), indirect taxes (VAT/GST/sales tax), and information-reporting obligations (platform reporting regimes and payment-network forms). (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (South Dakota v. Wayfair, 2018; Washington Department of Revenue, n.d.). (Australian Taxation Office, 2025).

Despite the apparent simplicity of those binaries, operational reality is nuanced. A single campaign can transition from donation to commerce (e.g., adding perks); pledge managers can resemble marketplaces; and cross-border fulfilment can pull creators into multiple tax administrations. Disputes often hinge on timing and characterization—for example, the moment VAT becomes chargeable, whether an interface is a deemed supplier or a marketplace facilitator, and whether gross payment statements overstate taxable income. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (South Dakota v. Wayfair, 2018; Washington Department of Revenue, n.d.). (Australian Taxation Office, 2025).

2. Literature Review and Policy Context

Platform-economy scholarship suggests that digital intermediation stresses the edges of existing tax doctrines—nexus, chargeability, place of supply, and information asymmetries—rather than necessitating novel taxes. The European Union's 2021 e-commerce package consolidated reforms around chargeability (including VAT on prepayments), place-of-supply simplifications through OSS/IOSS, and the deemed-supplier concept that reallocates indirect-tax liability to certain electronic interfaces. Transparency reforms operate on a parallel track: the OECD's MRDP and the EU's DAC7 extend platform due-diligence and cross-border reporting to income earned through digital intermediation. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021).

U.S. discourse emphasizes post-Wayfair expansion of state sales/use tax obligations to remote sellers and marketplace facilitators, and the evolution of Form 1099-K reporting by third-party settlement organizations. Creators frequently misinterpret gross 1099-K statements as taxable income, elevating the importance of platform education and recordkeeping. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (Internal Revenue Service, 2024; Internal Revenue Service, 2025). (South Dakota v. Wayfair, 2018; Washington Department of Revenue, n.d.). (Australian Taxation Office, 2025).

3. Methodology

This study is a doctrinal comparative analysis. We collect and interpret primary legal materials (EU VAT Directive and implementing rules; Commission explanatory notes; DAC7; UK HMRC manuals; U.S. statutes and IRS notices/fact sheets; ATO and CRA guidance) and map them to four canonical crowdfunding models across three actors (platform, creator, investor). We then test the framework against applied scenarios and synthesize compliance heuristics and policy implications. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (HM Revenue & Customs, n.d.; HM Government, n.d.). (Australian Taxation Office, 2025). (Canada Revenue Agency, 2013).

We focus on four influential jurisdictions—the United States, the European Union/United Kingdom, Australia, and Canada—selected for the depth of published guidance and their role in cross-border digital commerce. The analysis is limited to tax law and does not cover securities regulation beyond its interactions with tax classification. Where quantitative illustrations appear, they are explicitly hypothetical and aim only to visualize how legal rules translate into economic outcomes. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (Australian Taxation Office, 2025). (Canada Revenue Agency, 2013).

4. Conceptual Framework of Crowdfunding

We adopt a four-model taxonomy: (i) donation (no material reward); (ii) reward/pre-sale (goods, services, or digital content); (iii) debt (peer-to-peer loans with interest); and (iv) equity (issuance of shares or participation rights). Each model interacts differently with direct taxes (income, gains, deductions) and indirect taxes (VAT/GST/sales tax). (South Dakota v. Wayfair, 2018; Washington Department of Revenue, n.d.). (Australian Taxation Office, 2025).

The platform-creator-investor triangle generates multiple taxable events: platform fees (usually taxable services), creator receipts (income or capital), and investor returns (interest, dividends, capital gains). Timing rules—such as VAT chargeability on prepayment—often determine whether tax must be collected at pledge or at shipment. This builds directly on the organizing taxonomy in the original manuscript. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (Australian Taxation Office, 2025).

Table 1. Crowdfunding model × tax matrix (summary, illustrative).

Model	Creator—Direct Taxes	Indirect Taxes	Investor/Donor Taxes	Platform Duties
Donation (no reward)	Often non-taxable receipts (facts/intent matter)	Outside scope—no supply	Donor deduction only where eligible (e.g., registered charities)	VAT/GST on platform fees; reporting duties vary
Reward / pre-sale	Business/trading income; timing per accounting rules	VAT may be due on prepayment; U.S. sales tax by destination	N/A	Possible deemed-supplier/marketplace exposure; VAT on fees
Debt (P2P)	Principal not income; interest expense per rules	Financial services often exempt/out of scope	Interest taxable; loss-relief rules vary	Fees taxable; reporting regimes may apply
Equity	Capital to issuer	Issuing shares out	Dividends/CGT	Fees taxable;

Model	Creator—Direct Taxes	Indirect Taxes	Investor/Donor Taxes	Platform Duties
	(non-income); issuance costs per local rules	of scope for VAT	under general rules	securities/tax reporting distinct

5. Doctrinal Bases and Timing Rules

Direct taxes turn on characterization. Donation receipts may be non-taxable to recipients in systems that recognize detached generosity, but employer-related or quid-pro-quo transfers are commonly taxable. Equity proceeds are capital to the issuer; investor-level dividends and gains are taxed under general rules. Reward funds tied to a trade are ordinary income. Debt financing produces no income at inception, though interest deductions and cancellation-of-debt rules can become relevant.

Indirect taxes flow from the existence of a supply for consideration. Reward/pre-sale campaigns generally constitute taxable supplies of goods or services. In the EU, VAT can become chargeable upon receipt of prepayments when the future supply is sufficiently identified. For cross-border B2C sales, OSS/IOSS streamline compliance. By contrast, donation contributions with no supply fall outside VAT/GST scope. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (Australian Taxation Office, 2025).

Information reporting regimes increasingly deputize platforms to enhance tax transparency. Within the EU/UK, DAC7 builds on the OECD MRDP to mandate due diligence and annual reporting for in-scope activities; in the U.S., Form 1099-K requires TPSOs to report gross payments for goods or services, which elevates the importance of book-to-form reconciliation for creators. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (Internal Revenue Service, 2024; Internal Revenue Service, 2025). (Australian Taxation Office, 2025).

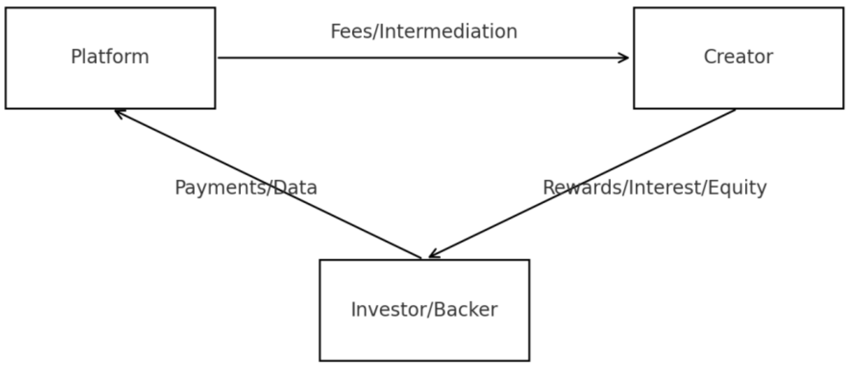

Figure 1. Core actors and fiscal flows in a crowdfunding ecosystem (conceptual)

6. Indirect Taxes (VAT/GST/Sales) in Depth (Australian Taxation Office, 2025).

VAT/GST systems tax supplies of goods and services for consideration. Reward campaigns typically involve either pre-sale of tangible goods, digital content, or access to services. Where pledges constitute prepayments for identified supplies, chargeability at receipt advances VAT collection to the pledge stage. This requires platforms to capture destination rates and evidence of the buyer's location, and creators to issue compliant invoices even before shipment. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (Australian Taxation Office, 2025).

EU reforms centralize administrative burdens through the One-Stop Shop (OSS) and the Import One-Stop Shop (IOSS), reducing the need for multiple registrations. Electronic interfaces can, in defined scenarios, be treated as deemed suppliers for B2C supplies of goods, shifting collection and liability to the platform. Outside the EU, sales tax regimes—especially following the U.S. Wayfair decision—use marketplace-facilitator statutes to similar effect. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (South Dakota v. Wayfair, 2018; Washington Department of Revenue, n.d.). (Australian Taxation Office, 2025).

7. Comparative Jurisdictional Analysis

United States. Reward proceeds typically constitute business income; indirect tax exposure turns on state sales/use tax rules and marketplace-facilitator statutes. Donation receipts can be non-taxable to recipients, while donor deductibility depends on charitable status and statutory limits. Equity proceeds are capital to issuers; investors recognize dividends and gains under general rules. Payment networks furnish gross 1099-K statements for goods/services payments; proper reconciliation is therefore critical. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (Internal Revenue Service, 2024; Internal Revenue Service, 2025). (South Dakota v. Wayfair, 2018; Washington Department of Revenue, n.d.). (Australian Taxation Office, 2025).

European Union & United Kingdom. VAT chargeability at prepayment for identified supplies is the pivotal timing rule for reward campaigns, complemented by OSS/IOSS regimes that reduce registration burdens. Electronic interfaces can be deemed suppliers of B2C goods supplies in certain cases. HMRC's manuals articulate donation (outside scope), reward (taxable), and financial models (exempt/out of scope) and provide P2P bad-debt relief mechanics for lenders. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (HM Revenue & Customs, n.d.; HM Government, n.d.).

Australia. ATO guidance treats reward receipts as assessable income if connected to a business or profit-making scheme; GST applies where registration thresholds are met. Donation campaigns with no supply fall outside GST, while equity and debt generally follow standard treatment with platform fees taxed as services. (Australian Taxation Office, 2025).

Canada. CRA's technical interpretation indicates that remuneration-based receipts are often business income; GST/HST treatment follows the supply's nature and place-of-supply rules. Charitable deductions depend on the recipient's status. (Australian Taxation Office, 2025). (Canada Revenue Agency, 2013).

Table 2. Comparative indirect-tax treatment for reward campaigns (high-level synthesis).

Jurisdiction	Reward VAT/GST timing	Platform deemed supplier / facilitator	Reporting simplifications
EU	VAT may be due at prepayment for identified supplies	Deemed supplier for certain B2C goods via electronic interfaces	OSS/IOSS centralize filings
UK	Follows EU principles;	Deemed-supplier concepts	UK VAT return;

Jurisdiction	Reward VAT/GST timing	Platform deemed supplier / facilitator	Reporting simplifications
	HMRC guidance distinguishes models	applied where conditions met	platform guidance applies
U.S.	Sales tax at destination; timing at sale/fulfilment per state	Marketplace-facilitator laws shift collection to platforms	State portals; no federal VAT
Australia	GST on taxable supplies; timing per tax invoice/consideration	Electronic distribution platform concepts in ATO guidance	Simplified GST for low-value imports
Canada	GST/HST applies to taxable supplies; timing per rules	Platform role varies; facilitator concepts less harmonized	GST/HST registration/returns

8. Information Reporting by Platforms and Payment Intermediaries

Platform reporting regimes pursue transparency through standardized data capture and cross-government exchange. In the EU/UK, DAC7 requires platforms to collect identification data, verify sellers, compute consideration, and report annually to a competent authority for onward exchange. The scope generally targets sales of goods and services; pure donations without a 'relevant activity' may fall outside. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021).

In the United States, Form 1099-K requires third-party settlement organizations to report gross payments to payees for goods/services transactions. Because statements are gross, creators must reconcile fees, refunds, and non-taxable items to determine income. Platforms should therefore provide dashboards and year-end statements that aid book-to-form reconciliation and reduce error-driven notices. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (Internal Revenue Service, 2024; Internal Revenue Service, 2025). (Australian Taxation Office, 2025).

Table 3. Information-reporting regimes relevant to crowdfunding platforms (overview).

Regime	Who reports	Scope (high-level)	Key data fields	Recipient
DAC7 (EU/UK)	Platform operator	Sales of goods/services via platforms; certain rentals/personal services	Seller identity, address, TIN, consideration by period	Tax authority (exchange to Member States)
MRDP (OECD)	Platform operator	Model rules underpinning DAC7-style reporting	As per model schema; due-diligence rules	Domestic authority (for exchange)
1099-K (U.S.)	Payment settlement entity/TPSO	Gross payments for goods/services to payees	Name, address, TIN, gross by month	IRS/payee

9. Applied Case Studies

9.1 EU digital reward (downloadable artbook)

A Spanish creator offers a €20 digital artbook to EU consumers through a pledge manager. The reward is an identified digital service. VAT is chargeable at prepayment when the pledge is paid. Destination VAT applies under TBE rules, and the creator can elect OSS to file a single quarterly return. The platform is not a deemed supplier if it merely processes payments and does not facilitate the underlying supply; however, record-keeping obligations apply. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (Australian Taxation Office, 2025).

9.2 U.S. tabletop game with global shipping

A Delaware startup raises $1.2 million and ships 12,000 units to multiple states. Reward proceeds are business income. Sales tax is due in destination states, potentially collected by the platform if facilitator criteria are met. The payment network issues a 1099-K reporting gross payments; the creator reconciles fees, chargebacks, and refunds to arrive at taxable income and to differentiate donations from sales, if any. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (Internal Revenue Service, 2024; Internal Revenue Service, 2025). (South Dakota v. Wayfair, 2018; Washington Department of Revenue, n.d.). (Australian Taxation Office, 2025).

9.3 UK peer-to-peer loans (HM Revenue & Customs, n.d.; HM Government, n.d.).

Retail lenders finance SMEs via a UK platform. Interest received is taxable income to lenders. HMRC provides P2P bad-debt relief to offset irrecoverable loans against other P2P interest. Platform commissions to borrowers/lenders are taxable services under VAT rules. (HM Revenue & Customs, n.d.; HM Government, n.d.).

9.4 Australian donation campaign for an individual (Australian Taxation Office, 2025).

A family receives funds for disaster recovery; there are no perks or goods. Donations are outside GST because no supply exists. Donors do not receive deductions unless the recipient is a DGR. If the promoter adds rewards, GST and income-tax consequences arise. (Australian Taxation Office, 2025).

9.5 Canadian reward pre-sales for indie album

A musician pre-sells vinyl to Canadian consumers. Receipts are business income; GST/HST applies according to place-of-supply rules. CRA's interpretation of remuneration-based crowdfunding supports inclusion in income. (Australian Taxation Office, 2025). (Canada Revenue Agency, 2013).

10. Quantitative Illustration (Hypothetical)

To visualize the consequences of characterization and timing, consider four stylized campaigns—one per model—each raising the equivalent of 100,000 monetary units from consumers in a single jurisdiction. We assume: (i) a uniform platform commission of 5%; (ii) a reward VAT rate of 20% applied at prepayment; (iii) no import charges; (iv) for P2P, a 7% annual interest; and (v) for equity, no dividends in year one. The figures are purely illustrative and are not predictions or normative statements. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021).

Table 4. Illustrative financial flows and tax touchpoints (purely hypothetical).

Model	Gross raised	Platform fee (5%)	Indirect tax collected	Net to creator (before income tax)	Investor/Donor tax
Donation	100,000	5,000	0	95,000	Donor deduction if eligible (n/a in example)
Reward (VAT 20%)	100,000	5,000	16,667 (implied VAT)	78,333	N/A
Debt (7% interest)	100,000	5,000	0	95,000 (loan principal)	Lender taxed on interest
Equity	100,000	5,000	0	95,000 (capital)	Dividends/CGT later

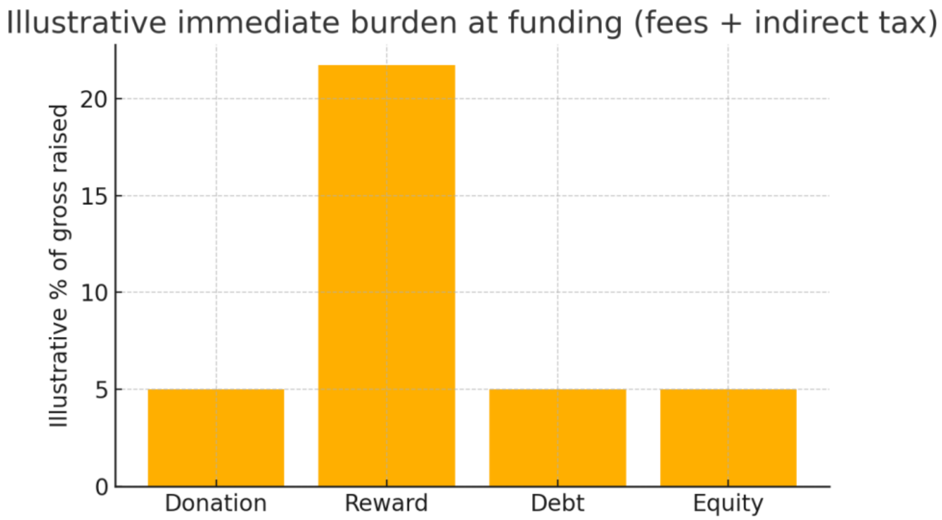

Figure 2. Illustrative immediate burden at funding across models (hypothetical). (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021).

11. Platform-Level Obligations and Operating Models

VAT/GST on platform fees. Commissions and subscription charges are taxable services. In B2B cases, the general EU rule places supply at the customer's location (often reverse charge); in B2C, at the supplier's location unless a specific rule applies. Platform invoices should reflect correct place-of-supply logic and, where relevant, reverse-charge legends. (Australian Taxation Office, 2025).

Marketplace facilitator exposure (U.S.). Post-Wayfair statutes typically hinge on control of listing, checkout, and payment, combined with economic nexus thresholds. As pledge managers add add-on stores and tax calculators, their functional role may meet facilitator definitions. Clear public documentation helps creators understand when the platform will collect and remit vs. when they must register directly. (South Dakota v. Wayfair, 2018; Washington Department of Revenue, n.d.). (Australian Taxation Office, 2025).

DAC7/MRDP compliance by design (EU/UK). Onboarding should capture identity data and TINs; payment systems should tag consideration by seller and period; and reporting jobs should reconcile settlements to reported amounts. Errors in TIN capture and duplicate accounts are common operational risks requiring remediation workflows. (Council of the European Union, 2021; Organisation for Economic Co-operation and Development, 2020).

1099-K architecture (U.S.). Because statements are gross, platforms should provide creators with year-end summaries of fees, refunds, chargebacks, and tax collected. Educational prompts that distinguish 'gross payments reported' from 'taxable income' reduce downstream friction and audit risk. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (Internal Revenue Service, 2024; Internal Revenue Service, 2025). (Australian Taxation Office, 2025).

12. Practical Compliance Heuristics

12.1 For creators / project owners (Australian Taxation Office, 2025).

- Classify the campaign early (donation, reward, debt, equity). Characterization drives both direct tax and indirect tax.
- Map where backers are and how supplies occur (physical shipment vs. digital delivery). For EU B2C, consider OSS/IOSS. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021).
- Build tax into pledge flows: destination VAT rates, buyer location evidence, invoice issuance, and collection at prepayment when required. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021).
- For U.S. campaigns, determine whether the platform will collect sales tax as a marketplace facilitator. If not, plan registrations. (South Dakota v. Wayfair, 2018; Washington Department of Revenue, n.d.). (Australian Taxation Office, 2025).
- Reconcile 1099-K gross to books: document fees, refunds, and non-taxable items. Maintain evidence for donations vs. sales. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (Internal Revenue Service, 2024; Internal Revenue Service, 2025).
- Plan cross-border fulfilment costs (import VAT/duties) and communicate DDP/DDU terms to backers. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021).
-

12.2 For platforms

- Separate fee taxation from deemed-supplier analysis; assess B2B/B2C place-of-supply for platform services.
- Design data architecture for DAC7/MRDP/1099-K harmonization (consistent seller IDs, TIN validation, periodized consideration). (Council of the European Union, 2021; Organisation for Economic Co-operation and Development, 2020). (Internal Revenue Service, 2024; Internal Revenue Service, 2025).
- Provide creator-facing summaries and education (gross vs net; VAT/Sales tax; timing rules). (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (South Dakota v. Wayfair, 2018; Washington Department of Revenue, n.d.). (Australian Taxation Office, 2025).
- Implement customs/IOSS integrations for cross-border fulfilment to reduce parcel-level friction. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021).

Table 5. Compliance checklist for creators and platforms. (Australian Taxation Office, 2025).

Audience	Checklist item	Purpose
Creator	Model classification documented	Anchors direct/indirect tax
Creator	OSS/IOSS or state registrations assessed	Ensures collection/remittance
Creator	Invoice design and timing confirmed	Matches prepayment rules
Creator	1099-K reconciliation pack prepared	Aligns gross statements to income
Platform	Fee VAT logic (B2B/B2C) implemented	Correct billing and reverse-charge
Platform	DAC7/MRDP data model and jobs live	Regulatory reporting compliance
Platform	Marketplace-facilitator policy published	Clarity on collection responsibility
Platform	Customs/IOSS tooling integrated	Reduced delivery friction

13. Limitations and Directions for Future Research

This article is doctrinal rather than empirical; it does not measure compliance costs, enforcement outcomes, or the elasticity of platform behavior in response to tax reforms. Jurisdictional coverage is selective and focuses on four systems with abundant guidance; many developing jurisdictions are experimenting with platform rules that merit systematic study. Future work could integrate micro-data from platforms to quantify the distributional impact of characterization decisions (e.g., prepayment VAT vs. shipment), or conduct field experiments on creator education. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (Australian Taxation Office, 2025).

Another promising direction is the intersection of platform taxation with consumer protection and securities law—for example, the extent to which escrow, refund policies, and disclosure standards alter tax characterization or timing. Finally, the growth of token-based campaigns and programmable payments suggests new opportunities to embed tax compliance logic at the protocol level, aligning with regulators' push for 'compliance by design'. (Australian Taxation Office, 2025).

14. Conclusion

Crowdfunding's fiscal consequences are governed by familiar legal architecture applied to novel configurations of actors and data. Donation without rewards typically falls outside indirect taxes and can be non-taxable to recipients; donor relief depends on charity law. Reward/pre-sale campaigns create taxable supplies and business income, with EU VAT often chargeable at prepayment and U.S. sales tax collected by destination or by the platform where facilitator statutes apply. Debt yields taxable interest to lenders, with selective relief for bad debts in some systems; equity remains capital-raising for issuers and taxable to investors upon distributions or disposal. Platform reporting regimes, together with deemed-supplier and marketplace rules, are the levers that most directly reshape compliance in the platform economy. The framework and heuristics offered here aim to help policymakers, platform designers, and creators 'get the moments right'—timing, place, and role—so that innovation and compliance co-exist in practice. (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021). (South Dakota v. Wayfair, 2018; Washington Department of Revenue, n.d.). (Australian Taxation Office, 2025).

References

Australian Taxation Office. (2025). Crowdfunding. https://www.ato.gov.au/Business/Business-bulletins-newsroom/Small-business/Crowdfunding/

Australian Taxation Office. (2025). GST and crowdfunding. https://www.ato.gov.au/Business/GST/In-detail/Your-industry/GST-and-crowdfunding/

Canada Revenue Agency. (2013). Technical Interpretation 2013-0484941E5: Crowdfunding. https://www.canada.ca/

Court of Justice of the European Union. (2018). Skarpa Travel sp. z o.o. v. Dyrektor Izby Administracji Skarbowej w Katowicach (Case C-422/17) (ECLI:EU:C:2018:943). https://curia.europa.eu/juris/liste.jsf?num=C-422/17 (Australian Taxation Office, 2025).

Council of the European Union. (2006). Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax. Official Journal of the European Union, L 347, 1–118. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32006L0112

Council of the European Union. (2021). Council Directive (EU) 2021/514 of 22 March 2021 amending Directive 2011/16/EU on administrative cooperation in the field of taxation (DAC7). Official Journal of the European Union, L 104, 1–26. https://eur-lex.europa.eu/eli/dir/2021/514/oj

European Commission. (2021). VAT e-commerce: One-Stop Shop (OSS). https://taxation-customs.ec.europa.eu/one-stop-shop-oss_en

European Commission. (2021). Import One-Stop Shop (IOSS). https://taxation-customs.ec.europa.eu/import-one-stop-shop-ioss_en

European Commission. (2021). Explanatory notes on VAT e-commerce rules. https://taxation-customs.ec.europa.eu (Australian Taxation Office, 2025).

HM Government. (n.d.). Gift Aid: How it works. https://www.gov.uk/donating-to-charity/gift-aid

HM Revenue & Customs. (n.d.). VATFIN5550: Crowdfunding. VAT Finance Manual. https://www.gov.uk/hmrc-internal-manuals/vat-finance-manual/vatfin5550

HM Revenue & Customs. (n.d.). Savings and Investment Manual (SAIM): Peer-to-peer loans—Relief for losses. https://www.gov.uk/hmrc-internal-manuals/savings-and-investment-manual (Council of the European Union, 2006; Court of Justice of the European Union, 2018; European Commission, 2021).

Internal Revenue Service. (2025, May 29). Money received through "crowdfunding" may be taxable; taxpayers should understand their obligations and the benefits of good recordkeeping (FS-2022-20). https://www.irs.gov/newsroom/money-received-through-crowdfunding-may-be-taxable

Internal Revenue Service. (2024). Notice 2024-85: Form 1099-K transition relief for tax years 2024–2025. https://www.irs.gov

Internal Revenue Service. (2025). Publication 526: Charitable contributions. https://www.irs.gov/forms-pubs/about-publication-526

Organisation for Economic Co-operation and Development. (2020). Model rules for reporting by platform operators with respect to sellers in the sharing and gig economy. https://www.oecd.org/tax/exchange-of-information/model-rules-for-reporting-by-platform-operators.htm (Australian Taxation Office, 2025).

South Dakota v. Wayfair, Inc., 138 S. Ct. 2080 (2018).

U.S. Congress. (2025). Public Law 119-21. https://www.congress.gov/

Washington Department of Revenue. (n.d.). Marketplace facilitators. https://dor.wa.gov/find-taxes-rates/retailing-and-wholesaling/marketplace-fairness/marketplace-facilitators (Australian Taxation Office, 2025).

World Bank. (2013). Crowdfunding's potential for the developing world. infoDev. https://www.infodev.org/infodev-files/wb_crowdfundingreport-v12.pdf