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Development of AI

- AI in industry.
- AI in services (medicine, banking, entertainment, law, hospitality, agriculture, etc.).
- Recent developments in new models (LLM, machine learning, ChatGPT, etc.).
- In practice, the distinction between AI and robots has become blurred.
- In tax law, the focus should be on the effects of AI, not on its form.

Impact on the economy

1. The future of work

- A controversial question.

Two schools of thought: (i) innovation will create new jobs; (ii) major job losses in the long term. Consensus on the short term (disruption), but unclear on the long term.

- This potentially has a triple negative effect: (i) loss of income (wages, etc.); (ii) increase in additional financial needs (social security); (iii) fall in consumption.

2. Growing inequalities

- Personal view: the risk of employment and growing inequality is real. We need to think about solutions from the outset: taxing AI (including "smart robots") is one of them.

The emergence of a tax personality for AI and/or robots

- The European Parliament Report, February 2017, has analyzed the possibility of a new legal personality for robots.
- The idea of a legal personality for AI (including "smart robots") requires a clear, workable definition.
- Personal proposal:
 - Focus on the autonomy of AI as a unit, not on its form ("form-neutral approach").
 - The effects of AI are decisive.

Justification of a taxation of the use of AI or AI as such

1. Economic perspective

- Tax the "salary" attributable to AI activity (notion of imputed theoretical income).
- Neutrality between AI and humans.

2. Legal perspective

- The principle of ability to pay.
 - At this stage, AI has no financial capacity.
 - However, this cannot be ruled out in the long term (notion of "objective" ability to pay).
 - Similar to the creation of the concept of the legal person in the last century.
- 3. Personal proposal: Proceed in two stages:(i) tax the use of AI; (ii) tax the AI as such (once legal ability to pay has been established).

Theoretical models for AI taxes

1. Taxing use of AI
 - Income tax "attributable" to AI activity (income tax, profit tax and social security contributions).
 - Automation taxes :
 - General (e.g. ratio between the number of "human" employees and sales or net profit).
 - Special (e.g. proposed Geneva tax on cash registers).
 - Presumptive taxes.
 - Indirect taxation of the use of robots (South Korean model of limiting deductions).
 - "Pigouvian" taxes (internalize negative external costs caused by the replacement of human workers).
 - VAT (use of AI as a production factor integrated into the taxable supply).

Theoretical models for AI taxes

2. Taxing AI as such

- A revolutionary and original approach.
- Requires (objective) ability to pay (may be based on ability to control funds).
- Tax on "income" or the inflow of funds.
- Subjective VAT liability (with the right to reclaim input VAT?).

Theoretical models for AI taxes

3. Taxing AI as an object

- Drone tax.
- Tax on autonomous vehicles ("self-driving cars").

Potential alternative solutions

- Review the taxation of capital income.
- Increase corporate profit tax.
- Taxation of the digital economy (e.g. taxes on digital services).
- Taxing data.

International aspects

- An international framework is needed (UN, OECD, EU).
- The issue is also linked to the problems posed by taxation of the digital economy.
- The taxation of AI or its use raises new issues (characterization; permanent establishment; transfer pricing, new form of taxpayer, etc.).

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Thank you for your attention.

