

Taxing Email

By Paul Gibson



Alan Lamassoure has come up with a brilliant formula to resolve the financial bind the European Union is suffering right now: Taxing Email or SMS messages.

Aside from the obvious controversy caused by the proposal, the mere mention of the idea of taxing email sent shivers up the spine of millions of European, American and global email users. Just the thought of having to pay for emails probably had human rights activists throughout the world scrambling to create a solid defense (or offense) to protect consumers.

But is taxing email such a bad idea? The idea is not new, but there has been much talk nowadays of some type of internet tax to regulate e-commerce or e-business in general. The reason is simple: since the cyber world belongs to exactly that - "the world", most authorities have decided to curl up in the corner with their mouths shut, failing to claim any authority to regulate such a thing.

If you think about it, the idea is not exactly "off the wall" from a financial standpoint. Can you imagine the millions upon millions of euros that the EU would take in, in a matter of a week? For every email, even if they charged a fraction of a centimo, they would

easily take in millions. On the Telefonica network alone there is an estimated daily volume of easily over 100 million emails/day. ¹ So why don't "they" charge the tax?

Part of the reason may be because they already *do* tax them. Every telephone or telecom operator charges taxes and in certain areas of the world, we already pay communications taxes on local, state and even national or federal levels. Surprised? Maybe not. It's just the thought of charging "per email" that scares people, but in fact they already tax us for using the telecom network. Another consideration is whether or not the Union has the authority or power to raise money at all....for whom? Member states already tax consumers.

Where would companies like Google, Yahoo, Hotmail, etc...be if they decided to offer "pay-per-send" email services... my guess is bankrupt. AOL was one of the first major email service operators in the US and they started out charging for their email services. It was only later that other companies realizing that email uses telephone service decided to be more careful about charging consumers for fear that consumers would definitely revolt against them by boycotting their products.

So where does the issue stand right now? Lamassoure, embarrassed by the tremendous pressure received from all sides after proposing his new "formula for financing" the Union, has retracted the idea and denies ever even seriously considered this option.

In the end, maybe we need to be more creative when it comes to financing. How would you finance the European Union?

How about taxing politicians for press conferences?

¹ Estimates taken from Senderbase, and may not coincide with exact data.