



UNTC 31st Session

Stakeholder Input Template



Help inform the Committee's deliberations on their work programme for 2025-2029 by sharing your perspectives on challenges in tax policy and administration facing developing countries, emerging issues that need attention, and where there is a need for more or different guidance. Submissions should be made in one of the six (6) UN languages. All valid submissions will be published on the UN Tax Committee website in the language submitted.

Submission details: Deadline: **1 September 2025**, Email to: taxcommittee@un.org

Subject: Input for UN Tax Committee Work Programme (2025-2029)

INFORMATION

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Type: Academia

Organization (unless submission is in personal capacity): Personal Capacity

BACKGROUND (Maximum of 200 words) – Please respond on page 2.

Please provide a brief summary of your organization's mandate and areas of work unless this submission is in personal capacity, how they relate to international tax cooperation, domestic resource mobilization, sustainable development, or any other field. This will help us map and better contextualize your perspective and input.

WORK PROGRAMME PRIORITIES (Maximum of 2000 words inclusive of any footnotes) – Please respond on page 3.

What should be the Committee's priority issues for 2025-2029? Consider, in light of the Committee's mandate, both the provisional agenda topics and any additional areas you believe are important.

For each priority you recommend, please explain:

- a) Why is this issue important for developing countries?
- b) What specific guidance or tools should the Committee produce?
- c) How would this output be practical and valuable for countries?

SUPPORTING REFERENCES Please list any hyperlinks to relevant reports, studies, or other materials that support your recommendations. Do not attach files. – Please respond on page 4.

BACKGROUND *(Maximum of 200 words)*

Please provide a brief summary of your organization's mandate and areas of work unless this submission is in personal capacity, how they relate to international tax cooperation, domestic resource mobilization, sustainable development, or any other field. This will help us map and better contextualize your perspective and input.

This suggestion is submitted in my personal capacity as a Professor of Law and Economics at the University of Groningen.

The University of Groningen is a public research university of more than 30,000 students in the city of Groningen, the Netherlands. Founded in 1614, the University is the second oldest in the country. The University of Groningen has eleven faculties, nine graduate schools, 27 research centres and institutes, and more than 175-degree programmes. The University's alumni and faculty include Johann Bernoulli, Aletta Jacobs, four Nobel Prize winners, nine Spinoza Prize winners, one Stevin Prize winner, various members of the Dutch royal family, several politicians, the first president of the European Central Bank, and a secretary general of NATO.

WORK PROGRAMME PRIORITIES *(Maximum of 2000 words inclusive of any footnotes)*

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Data Centers as a Case Study of the Wider Challenge of the Transitioning Tax System in the New Data-Economy and AI Era

a) In light of the current stage of data driven innovation, as it can exemplified by AI technology and data spaces, Data centers are spreading around the globe. Data centers require vast amounts of electricity for operation and cooling. The price of energy is an important factor for competitiveness and hence for selecting where to set up Data centers. Ideally Data centers are using inexpensive renewable energy. The energy consumption of Data centers poses substantial problems both for the environment and the general public of the host country. Since renewable energy is not always available in sufficient quantities, the host country will need to invest in renewable energy, electricity grid improvements and also in back-up energy sources (often fossil fuel based). The costs of this are conventionally borne by the general public. Once electricity costs start to rise, Data centers tend to relocate in search for a new low cost jurisdiction. Given the impact of Data centers on the environment and the general public, it is important to examine if (environmental) taxation is an appropriate instrument to guide developing countries in hosting Data centers in a sustainable way. Developing countries will be at the receiving end of the Data and AI revolution. This development will seriously affect the income prospects of governments (government revenue is often closely linked to income taxes) when the job market and salary of people change. Examining more closely fiscal and environmental aspects related to this development is critical.

b) The output should be a UN publication for the perusal of jurisdictions, particularly in developing countries that may be tempted by the immediate gains but less aware of the downside of hosting Data centers. The Committee should aim to compile relevant information for developing countries that outline the impact of Data centers and potentially also the AI revolution for the fiscal domain and government income.

c) The output should raise awareness and offer practical guidance on how to approach Data centers from a tax perspective. Following a similar approach as the UN Handbook on Carbon Taxation, the contributions by subcommittee members should be explaining relevant developments and link it closely to key policy take aways.

SUPPORTING REFERENCES *Please list any hyperlinks to relevant reports, studies, or other materials that support your recommendations. Do not attach files.*

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