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Free to Roam, Hard to Tax? The Tax Implications of Digital Nomad Visas in the EU

Free to Roam, Hard to Tax? The Tax Implications of Digital Nomad Visas in the EU*

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Abstract:

A growing number of countries have introduced Digital Nomad Visas (DNVs) to accommodate the rise of location-independent remote work, often paired with tax incentives. Using simulation analysis, this paper examines the effective tax burden of digital nomads under DNVs in the EU. Results show that tax burdens are sensitive to host country choice, double tax treaty provisions, and duration of stay, with the 183-day threshold proving critical. Tax planning can generate substantial tax savings for digital nomads who relocate strategically. This raises tax fairness concerns, as host countries may bear costs associated with digital nomads without proportionate income tax revenue.

JEL Classification: H24, H26, J61

Keywords: Digital nomad visas, Digital nomads, Personal income tax, Effective tax rates

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I. INTRODUCTION

Digital nomads are freelancers, entrepreneurs, and employees who leverage digital technologies to perform their professional activities from anywhere as they travel the world (Rasnača, 2023). What distinguishes digital nomads from conventional remote workers is their high degree of geographic mobility, making digital nomadism a particular form of cross-border labor mobility that challenges traditional residence-based tax systems. With the number of digital nomads more than doubling since 2019 and accounting for 11 percent of the US workforce by 2024 (MBO Partners, 2024), this fast-growing group has attracted considerable attention from private and public stakeholders due to its potential to generate positive economic spillovers (IOM UN Migration and Copenhagen Capacity, 2024). Reflecting this trend, many EU countries have introduced digital nomad visas (DNVs) to regulate this new style of work and to position themselves as hubs for remote work (OECD, 2022). In addition to enabling eligible digital nomads to easily relocate to foreign jurisdictions, these visas often include tax incentives. Taken together, the tax challenges posed by digital nomadism and the regulation provided under DNVs underscore the complexity arising from this increasingly mobile way of working.

In this paper, we analyze the tax consequences associated with the digital nomad lifestyle, with a particular focus on DNVs offered by EU countries. We assess how the current international tax system, in terms of tax residence, source taxation, social security obligations, and double tax agreements shape the effective tax burden faced by digital nomads. By comparing the effective tax burden across selected scenarios and country-pairs and with that of regular domestic workforce, we identify determinants that impact the tax burden of these highly mobile professionals. Furthermore, we analyze which country has the taxing rights on the income of digital nomads and under which circumstances DNVs translate into taxable outcomes for host countries.

The analysis proceeds in two steps. The first step compares the effective tax burden faced by digital nomads across different countries. For each home-host country pair, we calculate the effective tax burden considering personal income taxes and social security contributions, as well as applicable double tax treaty provisions governing the allocation of taxing rights between the two jurisdictions. This calculation incorporates the duration of stay in the host country, since this determines tax residence status and treaty eligibility, as well as any DNV-specific tax incentives offered by the host country. We further account for tax planning efforts. This allows us to capture the extent to

which digital nomads can legally reduce their tax burden through strategic choices regarding home country, host country, and duration of stay. The second step assesses the resulting tax fairness implications of these findings. We evaluate tax fairness between digital nomads and comparable local professionals working in the same host countries, examining whether the two groups face similar effective tax burdens under otherwise comparable circumstances. In addition, we analyze how taxing rights are distributed between home and host countries.

Our findings indicate that the effective tax burden of digital nomads is highly sensitive to the choice of host country, the applicable double tax treaty provisions, and the duration of stay. The 183-day threshold emerges as a critical parameter, as exceeding it shifts taxing rights to the host country and can substantially alter the effective burden depending on the treaty relationship of the relevant home–host country pair. Additionally, we show that tax planning, in the form of relocating the tax residence to a zero-rate jurisdiction prior to operating in a DNV host country, can lead to considerable tax savings. This highlights the opportunities for tax optimization that such regimes can create. Our analysis further reveals that tax fairness concerns arise primarily when digital nomads engage in tax planning or when host countries offer preferential treatment through targeted tax incentives in their DNVs. Where digital nomad visas mainly provide administrative clarity, horizontal equity concerns appear considerably less pronounced. Finally, tax fairness also concerns the allocation of taxing rights between home and host countries. We find that in many scenarios, host countries have no right to tax digital nomads or, where tax incentives apply, collect less tax from them than from comparable local professionals.⁴ This suggests that the fiscal case for DNVs rests less on personal income tax revenues than on the broader economic contributions.

Our study contributes to the literature examining the relationship between taxation and workforce mobility. Several studies show that tax rate differentials influence individuals' location choices: within-country studies document that high-income earners and specific occupations respond to regional tax changes, particularly tax increases, depending on income levels, moving costs, and local tax autonomy (Schmidheiny and Slotwinski, 2018; Agrawal and Foremny, 2019; Rubolino, 2020), while Muñoz (2023) provides comparable cross-country evidence for top earners across a broad range of occupations in 21 EU countries. A related literature strand studies the mobility of

⁴ The OECD identifies increased housing costs, pressure on local infrastructure, and negative environmental impacts, such as higher energy consumption, waste production, and carbon emissions, as examples of the increased government costs and negative externalities associated with digital nomadism (OECD, 2023).

“superstars” as a proxy for top earners. It shows that taxation affects the location choices of professional golfers (Agrawal and Tester, 2020) and scientists (Moretti and Wilson, 2017; Akcigit et al., 2021). Beyond general tax rate differentials, targeted tax incentives such as preferential regimes for foreign professionals have also been shown to attract high-income migrants, for example in Denmark (Kleven et al., 2014), among professional football players (Kleven et al., 2013), and among US biotech scientists (Moretti and Wilson, 2014). In contrast to existing literature on the mobility responses of top earners, we examine a form of mobility that is not confined to the top of the income distribution. We thereby contribute to this literature by analyzing digital nomadism, a novel and increasingly relevant form of workforce mobility driven mainly by digitalization and remote work options, and the tax incentives attached to it in DNVs.

More specifically, our study relates to the growing literature on the tax challenges posed by digitalization. This literature has so far focused primarily on the impact of digital business models on corporate taxes (Devereux and Vella, 2018; Olbert and Spengel, 2019; Olbert et al., 2019; Cusi et al., 2024; McMahon et al., 2025) and consumption taxes (Agrawal and Fox, 2021; Bruce et al., 2015; Nishimura and Morita, 2026), as well as policy responses such as digital services taxes and the OECD’s Pillar I proposal (Barake and Le Pouhaër, 2025; Cui, 2019; Hines Jr., 2023; Vella, 2019). In contrast, the individual tax implications of the high workforce mobility that these same information and communication technologies enable, most notably through remote work, are less studied so far. In the context of taxation, remote work, both theoretically (Agrawal and Brueckner, 2025) and empirically (Agrawal and Chen, 2026) and labor mobility (Agrawal and Foremny, 2019; Muñoz, 2023; Yushkov, 2025) have so far been studied mostly separately. We contribute by examining the individual tax consequences of remote work in an international setting, thereby bringing together the literature on remote work and labor mobility. By analyzing factors that drive the variation in digital nomads’ effective tax burdens, we point out that existing rules inadequately consider labor mobility enabled by remote work, underscoring the need for a reassessment of cross-border tax coordination.

Finally, we contribute to a new stream of literature on digital nomads and provide a quantitative assessment of the tax burden faced by this group of individuals. While legal and qualitative studies have identified key conceptual issues such as the absence of a clear taxable nexus (Kostić, 2019; Pignatari, 2023) and the potential for DNVs to intensify tax competition (Cusi et al., 2024), there are no accurate estimates of their impact on a digital nomad’s tax burden. We add to the literature

through a simulation analysis, which is a well-established approach for cross-country comparisons of personal tax burdens (Figari et al., 2024; Fischer et al., 2022; OECD, 2024). Specifically, we apply and extend the Human Resource Tax Analyzer (Elschner and Schwager, 2005) to systematically compare the effective tax rates of digital nomads with those of traditional employees and self-employed individuals. Our approach enables the decomposition of tax outcomes by key determinants and therefore generates insights on disparities in tax treatment, incentives to engage in tax planning, and the broader implications for tax fairness and fiscal coordination in a labor environment involving digital nomads.

The remainder of this paper is structured as follows: Section II provides an overview of the institutional background of digital nomads and DNVs in the context of taxation. Section III introduces the methodology of our simulation analysis as well as the determination of input parameters. Building on this foundation, Section IV presents the results of our simulation analysis comparing the effective tax burdens of digital nomads with those of traditionally employed and self-employed professionals. Finally, Section V concludes.

II. INSTITUTIONAL BACKGROUND

A. Digital Nomads and Digital Nomad Visas

In recent years, remote work has enabled a growing group of freelancers, entrepreneurs, and remote employees, known as digital nomads, to live and work from anywhere as they travel the world (Rasnača, 2023). Digital nomadism became increasingly mainstream in the second decade of the 21st century, made possible by the availability of miniaturized mobile devices, the establishment of low-cost airlines, the emergence of new accommodation options, the opening of various co-working spaces, and the emergence of dedicated online communities (Beretta, 2022). The COVID-19 pandemic further accelerated the growth of the digital nomad community by transforming labor mobility and consolidating remote working models that eliminated the need for physical presence at a fixed workplace or even within an employer's jurisdiction (Dingel and Neiman, 2020; Pignatari, 2023). Currently, no reliable scientific estimate exists regarding the global number of digital nomads. The WYSE Travel Confederation⁵ reports that approximately 40 million digital nomads

⁵ Richards, Greg, “WYSE Travel Confederation: Growth and developments in the digital nomad market since COVID-19,” WYSE News, January 16, 2023, <https://www.wysetc.org/2023/01/growth-and-developments-in-the-digital-nomad-market-since-covid-19/>.

exist worldwide, while MBO Partners (2024) estimates that 18.1 million US Americans live as digital nomads.

What distinguishes digital nomads from conventional remote workers is their high degree of geographic mobility. Estimates from Nomads.com (2024) and MBO Partners (2024) suggest that digital nomads remain in one location for only 55 to 64 days on average, resulting in approximately six different work locations per year. Their location choices are shaped by a combination of professional opportunities, lifestyle preferences, and economic considerations (Arslan, 2024; Lacárcel et al., 2024). While digital nomads have the potential to generate positive economic spillovers in their host locations, their growing presence also creates regulatory challenges, particularly related to labor and tax law, as well as social and infrastructural challenges (IOM UN Migration and Copenhagen Capacity, 2024; OECD, 2023).

As of 2023, thirteen EU countries had introduced DNVs (KPMG, 2024). DNVs allow remote workers to reside temporarily in a host country while continuing to work for foreign employers or clients. Unlike tourist visas, which generally prohibit paid work, and traditional work or residence permits, which typically require local employment, DNVs are designed specifically for location-independent professionals.⁶ They allow non-residents to legally reside in the country (referred to as the host country throughout the remainder of this paper) while earning income from foreign sources, thereby providing a legal framework for cross-border remote work without requiring integration into the local labor market (Benton and Hooper, 2022; Casi et al., 2024; Ouro, 2023). Beyond facilitating mobility, many countries embed preferential tax treatment directly into their DNVs to establish clear rules regarding taxation and to attract highly mobile professionals. Within the EU, DNVs vary considerably in their fiscal implications (see Table A.1).

B. International Tax Framework for Digital Nomads

Personal income tax systems are traditionally residence-based. Individuals are taxable in a country when they become tax residents of that country, which typically depends on physical presence and most notably on exceeding the 183-day threshold. Tax residents are subject to unlimited tax liability, meaning their worldwide income is taxable. When individuals both live and work in the

⁶ Eligibility criteria vary across visas but typically include minimum income requirements, specific employment statuses (e.g. employed or self-employed), and nationality restrictions determining which applicants are eligible (e.g. non-EU citizens, OECD citizens, or nationals from a specified list of countries).

same country, their place of residence and place of economic activity align, and this establishes a clear taxable nexus in that country.

When individuals live and work in different jurisdictions, the country where the income is earned (the source country) considers the individual as a non-resident taxpayer with limited tax liability, so this source income is taxable there. Because the country of residence also taxes worldwide income, the same income can be taxed twice. Depending on where the individual meets the tax residence criteria, they may face dual tax residence or a combination of taxation of worldwide and source income. Which country holds the primary tax residence, and how double taxation is resolved, is governed either by domestic tax laws or by bilateral double taxation agreements (DTAs) (Kostić, 2019).⁷ The tax treatment of income earned in the source country also depends on the individual's employment status, specifically whether the income is classified as employment income or professional income.⁸ Relief from double taxation generally takes one of two forms. Jurisdictions either exclude foreign-sourced income from the tax base (exemption method) or allow a credit for taxes paid abroad against the domestic liability on worldwide income (credit method). In the absence of coordinated rules, double taxation may persist.

If an individual relocated entirely to a new country by changing both employer and the place of residence, they become tax resident in the new country and similar rules apply in the context of that other country. Unlimited tax liability on worldwide income then applies there, and residence and economic activity are realigned.

Digital nomads, in contrast, perform location-independent work while frequently moving across jurisdictions. Their employer or clients typically remain in the home country, while they are physically present in a host country (i.e. a country that offers a DNV). Residence and economic

⁷ Most bilateral double taxation agreements follow the OECD Model Tax Convention. Under this framework, tax residence is primarily determined by permanent residence. If an individual has permanent residences in both countries, the decisive factor is the center of vital interests, based on personal and economic ties. If this does not lead to a precise decision, residence is determined by habitual abode and, ultimately, citizenship (Addarii, 2024). Most national tax laws also align with this framework to determine tax residence.

⁸ Under the OECD Model Tax Convention, employment income is generally taxable only in the employee's country of residence, provided their stay in the host country does not exceed 183 days. In this context, employment is considered to be exercised in the country where the employee is physically present while performing the activities for which they receive remuneration (Kostić, 2019). For self-employed professionals, older model tax treaties typically require either the existence of a fixed base or physical presence exceeding 183 days for the source country to claim taxing rights on income from professional services. More recent tax treaties consider professional services as a form of business income, aligning the determination of source income with the concept of a PE. The term "professional services" can be broadly interpreted to encompass virtually any activity performed outside an employment relationship, and the distinction between PE and fixed base remains conceptually unclear (Frescurato and Moretti, 2024). Also in national laws the resolution of double taxation can be different for employment and professional income, e.g. in Australia (Toryanik and Soo, 2023).

activity therefore diverge, which complicates the determination of tax residence. Digital nomads typically spend fewer than 183 days in any host country (Pignatari, 2023) while maintaining legal or personal ties to their home country. This implies that their worldwide income generally remains taxable in the home country, even though the economic activity is performed in the host country.

Nevertheless, digital nomads may become liable to taxation in host countries in each of the following cases independently: (1) no DTA exists between the countries involved; (2) they are employed and remain in the host country for more than 183 days; and (3) they are self-employed and operate through a fixed base or permanent establishment (PE) in the host country. Self-employed digital nomads face legal uncertainty regarding whether their activities constitute a fixed base or PE in the host country, however, recent guidance from the OECD (2025) clarifies that transient digital work does not typically create a PE. For digital nomads, who typically spend fewer than 183 days in any host country (Pignatari, 2023) while maintaining legal or personal ties to their home country, this implies that worldwide income generally remains taxable in the home country despite economic activity being performed in the host country.⁹

When residence and economic activity diverge, several countries may assert taxing rights on the same income. DNVs intend to create clarity in these situations. The tax regulations of the DNVs available in the EU as of 2023 are summarized in Table A.1. Some EU countries apply standard tax rules, under which digital nomads become tax residents once physical presence thresholds are exceeded. Others offer preferential regimes through income tax exemptions or reduced flat tax rates. DNVs therefore function not only as migration instruments but also as policy tools that influence the geographic allocation of taxable income (Casi et al., 2024).

The general rules on residence and source taxation, the divergence of residence and economic activity and the role of DNVs together give rise to four stylized tax residence scenarios, which are considered in the simulation analysis that follows and summarized in Table 1. They depend on two

⁹ We deliberately exclude the tax implications of a PE from our analysis. This exclusion is justified by the high factual specificity required to assess PE status and the recent clarifying guidance of the OECD on this matter (OECD, 2025). The OECD clarifies that a PE may arise only where the location from which an individual temporarily works constitutes a fixed place of business through which the enterprise's activities are carried out. This requires an assessment of the facts and circumstances, including the extent to which the enterprise's business activities are connected to that location. For the same reason, we also do not further consider that the physical presence of an employed digital nomad abroad may create a permanent establishment for the employer, potentially subjecting corporate profits to taxation in the host country.

questions: (1) whether the digital nomad's physical presence exceeds the tax residence threshold in the host country; and (2) whether the digital nomad engages in active tax planning.

Table 1: Four tax residence scenarios

	≤ 183 Days in Host Country	> 183 Days in Host Country
No tax planning	Scenario 1 - Home country: Unlimited tax liability $\rightarrow$ Taxation of worldwide income - Host country: Limited tax liability (non-resident taxpayer) $\rightarrow$ Taxation of source income	Scenario 2 - Home country: Unlimited tax liability $\rightarrow$ Taxation of worldwide income - Host country: Unlimited tax liability $\rightarrow$ Taxation of worldwide income
Tax planning via relocation	Scenario 3 - Home country: No taxable nexus - Country of relocation: Unlimited tax liability $\rightarrow$ Taxation of worldwide income - Host country: Limited tax liability $\rightarrow$ Taxation of source income	Scenario 4 - Home country: No taxable nexus - Country of relocation: Unlimited tax liability $\rightarrow$ Taxation of worldwide income - Host country: Unlimited tax liability $\rightarrow$ Taxation of worldwide income

Notes: This table shows the tax implications of different simplified scenarios that can differ along the dimensions of country of tax residence and the duration of the stay abroad. The *home country* is the country where the digital nomad is assumed to be a tax resident in the base case. From the home country the digital nomad travels to a country that offers a DNV, i.e. the *host country*. The *country of relocation*, in this context, is a country that offers a fiscally advantageous tax system and to which the digital nomad relocates prior to his or her travels.

In Scenario 1, the digital nomad retains tax residence in the home country and limits stays abroad to less than 183 days. Worldwide income remains taxable in the home country, while the host country has only limited taxing rights. Where a DTA applies, taxing authority generally remains with the home country. Double taxation may arise where no DTA is in place, because both countries then have taxing rights. In Scenario 2, the digital nomad stays in a host country long enough to exceed the tax residence threshold, so both the home country and the host country may claim unlimited tax liability. DTAs resolve such conflicts through tie-breaking rules that allocate a single residence. In their absence, the digital nomad faces the risk of double taxation.

In Scenarios 3 and 4, the digital nomad chooses a country of relocation in addition to a host country. Tax planning in the context of this paper means actively relocating tax residence to a low- or zero-

tax jurisdiction (the country of relocation).¹⁰ In Scenario 3, the digital nomad abandons tax residence in the home country and establishes it in the country of relocation, while keeping stays in any other country below the 183-day threshold to avoid additional tax obligations. Under DTAs, host countries are typically prevented from taxing employment or professional income unless the individual exceeds the 183-day presence threshold. Digital nomads who successfully manage their stays below these thresholds may therefore achieve minimal or near-zero taxation of their worldwide income.

Scenario 4 combines tax planning with extended stays in a host country, which creates a mixed outcome. Relocating tax residence reduces exposure to high-tax home countries, but exceeding physical presence thresholds may enable host countries to assert taxing rights. Where a DTA applies, tie-breaking rules typically allocate residence to the country of relocation if the individual's primary personal and economic ties remain there, which limits host country taxation. Without a DTA, concurrent tax claims may re-emerge and partially offset the benefits of relocation.

In summary, these scenarios highlight a central tension within the traditional residence-based international tax system. Digital nomads who do not engage in active tax planning generally remain taxable somewhere, albeit with increased risks of double taxation. Those who strategically combine residence relocation with short-term mobility can substantially reduce or eliminate their personal income tax burden. DNVs reinforce this dynamic by enabling individuals to select jurisdictions offering favorable tax treatment while remaining globally mobile.

III. METHODOLOGY

A. The Human Resource Tax Analyzer

To calculate the effective tax burden a digital nomad faces when relocating for work, we employ the Human Resource Tax Analyzer developed by Elschner and Schwager (2005).¹¹ This

¹⁰ A common scheme offered on the internet to obtain a tax residence in a zero-tax country is to found a free-zone company in the United Arab Emirates (UAE) to obtain a residence permit. Through this set-up and some physical presence in the country, the digital nomad can become a tax resident in the UAE and benefit from their tax treaty network as well as zero tax rates. Another option is to exploit digital nomad visas that offer full tax exemptions or highly reduced rates and allow the digital nomad to become a tax resident in the country for several years. For example, in Latvia a digital nomad could become a tax resident and benefit for up to two years from the flat 15 percent tax rate (KPMG, 2024). In our simulation study, we focus on the most tax-advantageous case of avoiding taxation entirely.

¹¹ Although the simulation model was developed more than 20 years ago, it continues to be used regularly in current research; see, for example, Fischer et al. (2022), who employ the Human Resource Tax Analyzer to calculate the effective tax burden on highly skilled labor in 26 OECD countries over the past decade.

methodology assumes that highly skilled professionals are internationally mobile and can negotiate a fixed after-tax disposable income when evaluating employment opportunities across countries. Consequently, variations in the country-specific non-wage labor costs create distortions in the cost of employment in a competitive labor market. To remain globally competitive, employers must compensate employees for higher wage-related charges.

The effective tax burden of the highly skilled professionals is expressed in terms of the effective average tax rate (EATR) for a given level of post-tax disposable income. The EATR represents the additional cost employers must bear beyond the predetermined disposable income due to taxation. For the employer, a high (low) EATR suggests that they face significantly more (less) significant costs in securing internationally mobile talent. The EATR compares an employee's total remuneration before taxes E^* with the required net income after taxes and social security contributions E , expressed as a proportion of the total remuneration E^* :

$$EATR = \frac{E^* - E}{E^*}$$

E accounts for current and future tax liabilities arising on the total remuneration E^* within a given period. Tax liabilities include all personal income taxes including surcharges and state- or municipal-level taxes, payroll taxes levied on employers, and social security contributions to the extent that employees derive no specific individual benefit from these programs. Accordingly, contributions to unemployment and accident insurance are classified as tax-like charges. Health insurance premiums are excluded due to difficulty isolating the tax component. For mandatory public pension schemes, we incorporate expected benefits under current regulations, acknowledging that contributions can be partially considered insurance premiums even when benefits are not actuarially fair (Elschner and Schwager, 2007).

The Human Resource Tax Analyzer was initially designed to capture the effective tax burden of expatriate employees.¹² We apply this model to analyze digital nomads. An employed digital nomad with a higher (lower) EATR is less (more) attractive to employers. Therefore, determining where to establish tax residence and work location is crucial. Relocating under digital nomad visas

¹² For example, see Elschner et al., 2006; Elschner and Schwager, 2007; Fischer et al., 2022.

becomes financially advantageous when the EATR a digital nomad would face as a domestic worker in their home country substantially exceeds the tax burden in a cross-border setting.

For self-employed digital nomads, we adapt the methodology by treating the individual as both employer and employee, adjusting all included items, being taxes, social security contributions, and old-age pensions, to reflect rules for self-employed professionals. Like employees, self-employed professionals seek a fixed after-tax disposable income. Lower taxes and levies mean less income generation is required. A higher (lower) EATR implies lower (higher) market competitiveness for their services. Again, relocating under digital nomad visas becomes financially advantageous when the EATR of a domestic self-employed professional in their home country substantially exceeds their EATR in a cross-border setting.

B. Determination of input parameters

To calculate EATRs that accurately reflect the effective tax burdens of digital nomads under DNVs in the EU, the input parameters of the model are based on observed digital nomad characteristics and established parameters from previous studies. We differentiate between three categories of input parameters: (1) basic economic parameters derived from the existing literature, (2) parameters describing the characteristics of digital nomads, which are obtained from demographic and mobility data, and (3) parameters capturing the regulatory environment, that are collected from the IBFD Tax Research Platform (IBFD, 2023).

The basic economic parameters include the tax year of the calculation, as well as interest and exchange rates. We calculate the EATR for the year 2023. Consequently, if a country does not have the euro as their official currency, we apply exchange rates as of January 1, 2023.¹³ In line with previous studies (Elschner et al., 2006; Elschner and Schwager, 2007; Fischer et al., 2022), we assume a real interest rate of 5 percent.

¹³ European Central Bank, “Euro Foreign Exchange Reference Rates,” <http://www.ecb.europa.eu/stats/eurofxref/>. If there is no exchange rate available for January 1, 2023, we employ the rate for the first day after that date that offers the relevant exchange rate.

Table 2: Demographic Information of Digital Nomads as of 2024

	Nomads.com	MBO Partners
Personal Characteristics		
Current Age	35 [35]	- [37]
Relationship Status	66% Single	43% Single
Gender	88% Male	59% Male
Job Characteristics		
Education	90% Higher Education	52% Higher Education
Employment	94% in IT	19% in IT
Yearly Income	EUR 119,000 [EUR 82,000]	17%: < EUR 24,000 37%: EUR 24,000 $\geq$ x > EUR 72,000 46%: $\geq$ EUR 72,000

Notes: This table shows selected characteristics of digital nomads as of 2024 obtained from Nomads.com (2024) and MBO partners (2024). The values presented are average [median] values. *Higher Education* indicates that the digital nomad has a college degree or more. *IT* includes for data from Nomads.com jobs in mobile, web or software development, SaaS, and UI/UX design. Nomads.com is a web community for around 20,000 digital nomads, which presents statistics on their members. Those statistics might be subject to changes. MBO Partners (2024) conducts the *Independence in America* online panel survey on a yearly basis. The 2024 survey was fielded in June of 2024 and surveyed 6,575 US-residents (aged 18 and older), including 1,178 current digital nomads. The survey results were weighted to reflect the demographics of the USA.

The input parameters concerning the characteristics of digital nomads consist of their demographic information, host countries in the EU, and home country. Although data on digital nomads remain scarce,¹⁴ we derive these parameters primarily from observed characteristics. The available demographic information on digital nomads is obtained from Nomads.com (2024) and MBO Partners (2024) and summarized in Table 2.¹⁵ Drawing on this information together with assumptions employed in prior studies (Elschner et al., 2006; Elschner and Schwager, 2007; Fischer et al., 2022), we characterize the representative digital nomad as 40 years of age, unmarried, and childless. As digital nomads tend to be highly educated, with a significant share working in the IT sector, they typically earn comparatively high incomes. The net income of digital nomads in our model is EUR 100,000, of which 70 percent are cash remuneration and 30 percent

¹⁴ To the best of our knowledge, no official EU-wide statistics on digital nomads exist. Available data are limited to survey results from Denmark and Germany (IOM UN Migration and Copenhagen Capacity, 2024). For the USA, an annual survey is conducted by MBO Partners (MBO partners, 2024).

¹⁵ The two sources are not directly comparable due to differences in sampling methodology and target population. Nomads.com reflects a self-selected community of digital nomads, likely skewing toward technology-focused, high-income male professionals, while MBO Partners surveys a broader population of independent workers, resulting in a more heterogeneous profile. Income figures are additionally not directly comparable, as Nomads.com reports a mean value while MBO Partners reports distributional brackets.

are pension contributions.¹⁶ While cash wages are immediately taxable, the treatment of pension contributions depends on whether they are deducted from taxable income at the time of contribution or taxed upon withdrawal. The intertemporal approach of the Human Resource Tax Analyzer explicitly accounts for these differences in income timing and their impact on taxes and social security contributions, incorporating personal characteristics such as years of contributions and life expectancy.

The digital nomad's host countries are EU countries that offer a DNV in 2023. Specifically, these include Croatia, Cyprus, the Czech Republic, Estonia, Germany, Greece, Hungary, Italy, Latvia, Malta, Portugal, Romania, and Spain. We categorize these host countries according to whether their visa programs are available to employees, self-employed professionals, or both (see Table A.1). In addition, we verify that these countries are indeed relevant destinations for digital nomads using travel data collected from Nomads.com.¹⁷ The dataset records the weekly travel frequencies of digital nomads along travel routes¹⁸ connecting the 50 most popular destinations per continent¹⁹ between April 1, 2024, and April 1, 2026.²⁰ Figure 1 shows that locations offering a DNV consistently record higher travel frequencies than those without such visas.²¹ This provides initial evidence that DNVs may effectively attract digital nomads and represent the most relevant locations in the EU for our study.

¹⁶ This assumption deviates from previous literature, where cash remuneration constitutes 75 percent and pension contributions 25 percent. We adjusted these values to account for countries of origin with minimal public pension systems. Reaching a net of tax income of EUR 100,000 in the retirement phase would not be possible without this adjustment in these countries.

¹⁷ Nomads.com is a subscription-based online community with approximately 20,000 digital nomad members worldwide. The platform enables members to connect, share travel information, and update their current locations.

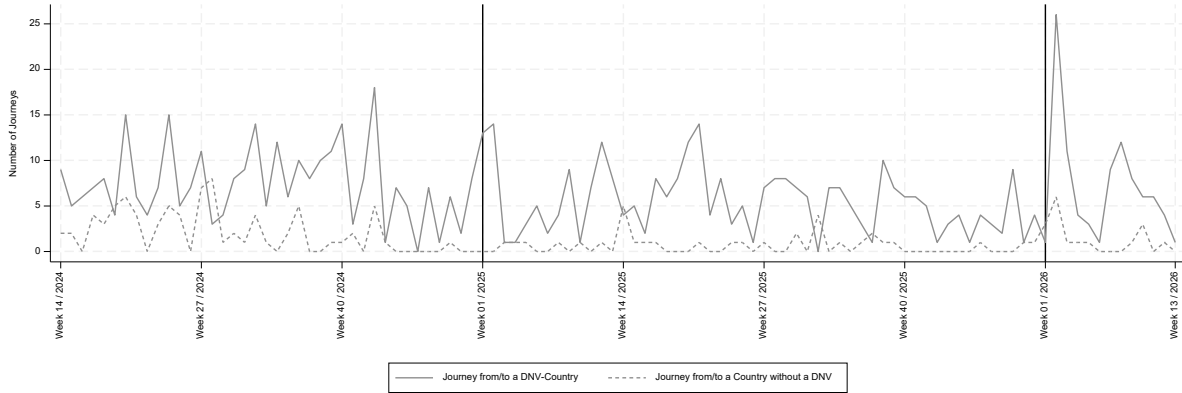
¹⁸ Travel routes are recorded when a digital nomad updates their location on Nomads.com. For example, a recorded journey from London, UK, to Lisbon, Portugal, registers as one travel event on the London–Lisbon route. Individual journeys cannot be linked to specific user accounts. Location information on Nomads.com is subject to ongoing changes.

¹⁹ Since the ranking of the most popular destinations fluctuates over time, our dataset captures travel patterns across 150 countries and 597 cities.

²⁰ We acknowledge that the data has two major limitations. First, the information is fully self-reported, which means it is not necessarily accurate. However, as the membership fee is USD 200, we consider the number of inactive members and fake accounts to be small. Second, we cannot see whether our sample of digital nomads is representative, as there is no information on what constitutes the population. Nevertheless, the data collected provides a valuable opportunity to gain initial quantitative insights into the movement patterns of digital nomads and the resulting tax implications. For summary statistics of the logged travel locations and logged travel data of digital nomads, see Table A.2.

²¹ It is important to note that the absolute number of recorded weekly journeys in our dataset is relatively low. A possible explanation for the low number of observations is that the dataset only covers journeys between the 50 most popular destinations per continent, potentially omitting a substantial number of trips to less frequently visited locations.

Figure 1: Logged journeys of digital nomads comparing countries with and without a digital nomad visa over time



Notes: This figure shows the number of logged journeys of digital nomads aggregated on a weekly basis between non-EU countries and EU countries that offer (solid line) or that do not offer (dashed line) a DNV. The dataset is collected from Nomads.com (2026) and consists of the logged journeys of around 20,000 digital nomads between the continents' 50 most popular travel locations between April 1, 2024, and April 1, 2026. The information of whether a country offers a digital nomad visa is taken from KPMG (2024).

The digital nomad's countries of origin are major economies that, according to Nomads.com, rank among the top countries of origin for digital nomads and are located outside the EU (Nomads.com, 2024). The countries of origin include Australia, Brazil, Canada, India, the United Kingdom, and the United States.²² Figure A.1 confirms that this subset of origin and host countries captures a substantial share of digital nomad mobility patterns involving the EU. It highlights that 60 percent of the journeys between non-EU countries and EU countries recorded in the travel data collected from Nomads.com involve these home countries and that 62 percent of the digital nomads active on Nomads.com originate from them.

The input parameters concerning the regulatory setting include all taxes, social security contributions and old age pensions in all sample countries, as well as the necessary cross-border tax regulations to calculate the EATR for the four scenarios presented in Section II (see Table 1). For the taxes, social security contributions, and old age pensions, we apply the rules as stipulated in the tax laws of the respective sample countries for tax year 2023, retrieved from IBFD Tax Research Platform (IBFD, 2023). Where a DNV includes special tax provisions, we apply these in place of the corresponding domestic provisions in our simulation.

²² The DNVs of the Czech Republic and Latvia are not available to Brazilian and Indian nationals. Therefore, we exclude the country pairs Brazil–Czech Republic, Brazil–Latvia, India–Czech Republic, and India–Latvia from our analysis.

For cross-border tax regulations in Scenarios 1 and 2, we model the elimination of double taxation as specified in DTAs between country pairs or, where no DTA exists, as stipulated in the countries' national laws. Information on bilateral and unilateral relief mechanisms for double taxation is both obtained from IBFD Tax Research Platform (IBFD, 2023).²³ For Scenarios 3 and 4, we model the most tax-advantageous setting a digital nomad can achieve. Consequently, we assume that the country of relocation does not levy taxes, social security contributions, or old-age pensions; allows utilization of all DNVs; and maintains DTAs with all host countries.²⁴ The provisions in these DTAs follow the most frequently observed pattern in our sample (see Table A.3): when employed or self-employed digital nomads stay fewer than 183 days in a host country, taxation rights remain with the country of relocation,²⁵ and when they stay 183 days or longer, double taxation is resolved using the credit method. For cross-border social security contributions, we assume that contributions are always paid in the digital nomad's home country.²⁶

Taken together, our effective tax rate calculation provides a comprehensive examination of the tax implications of DNVs, accounting for national tax laws, DTAs, and digital nomads' characteristics. The economic parameters, personal characteristics of the representative digital nomad, and regulatory parameters are summarized in Table 3.

²³ For an overview of the elimination of double taxation between the country pairs, see Table A.3.

²⁴ Countries fitting this profile include, for example, the UAE, most notably Dubai, which levies no personal income tax or social security contributions, offers a digital nomad visa, and maintains an extensive network of double taxation agreements. Such jurisdictions are not necessarily classic tax havens in the traditional sense (i.e., countries primarily associated with corporate profit shifting or financial secrecy), but rather countries with zero or minimal personal income taxation that have become attractive destinations for relocation for digital nomads

²⁵ The United States represents an exception, as it applies citizenship-based taxation. Consequently, US citizens remain subject to worldwide taxation regardless of residence unless they renounce their citizenship (Organ, 2024). As citizenship renunciation is an extreme measure, we assume that US digital nomads utilize the Foreign Earned Income Exclusion (FEIE). Under the FEIE, US citizens can exclude foreign wages and self-employment income up to USD 120,000 (approximately EUR 113,000) from their taxable worldwide income if they are physically present in foreign countries for at least 330 full days during any 12-consecutive-month period. However, the FEIE does not exempt professional income from US social security ("Foreign earned income exclusion", US Internal Revenue Service, <https://www.irs.gov/individuals/international-taxpayers/foreign-earned-income-exclusion>).

²⁶ This assumption reflects the most common outcome based on our review of national social security regulations, DNV provisions on social security, and existing social security agreements between sample countries. However, we acknowledge this as a simplifying assumption, as national social security regulations are highly case-specific and existing social security agreements are primarily designed for traditional cross-border employment relationships, providing limited guidance for highly mobile remote workers.

Table 3: Input parameters for the Human Resource Tax Analyzer

Digital Nomad	
Economic Parameters	
Real Interest Rate (%)	5
Tax Year	2023
Exchange Rate	As of 01.01.2023
Characteristics of the Digital Nomad	
Disposable Income	EUR 100,000 (Cash Components: 70%, Old-age Contributions (30%))
Status	Single, without children
Current Age	40 years
Age at Start of Work	25 years
Age at Retirement	65 years
Life Expectancy	85 years
Home Countries	Australia, Brazil, Canada, India, United Kingdom, United States
EU Host Countries	Croatia ^(a) , Cyprus, the Czech Republic, Estonia, Germany ^(b) , Greece, Hungary ^(a) , Italy, Latvia, Malta, Portugal, Romania ^(a) , Spain
Regulatory Parameters	
National taxes, social security contributions, old age pensions	As of 01.01.2023
Cross-border tax provisions in Scenario 1 and Scenario 2	Scenario 1 and 2: DTA or national law as of 01.01.2023
Cross-border tax provisions in Scenario 3 and Scenario 4	< 183 days in a host country taxation remains with the country of relocation ≥ 183 days in a host country credit method resolves double taxation
Cross-border social security provisions	Security contributions and old age pensions are paid in the home country

Notes: This table summarizes the input parameters for the Human Resource Analyzer employed in the simulation analysis in Section IV. ^(a) Croatia, Hungary, and Romania only offer their DNV to employed digital nomads.

^(b) Germany only offers its DNV to self-employed digital nomads.

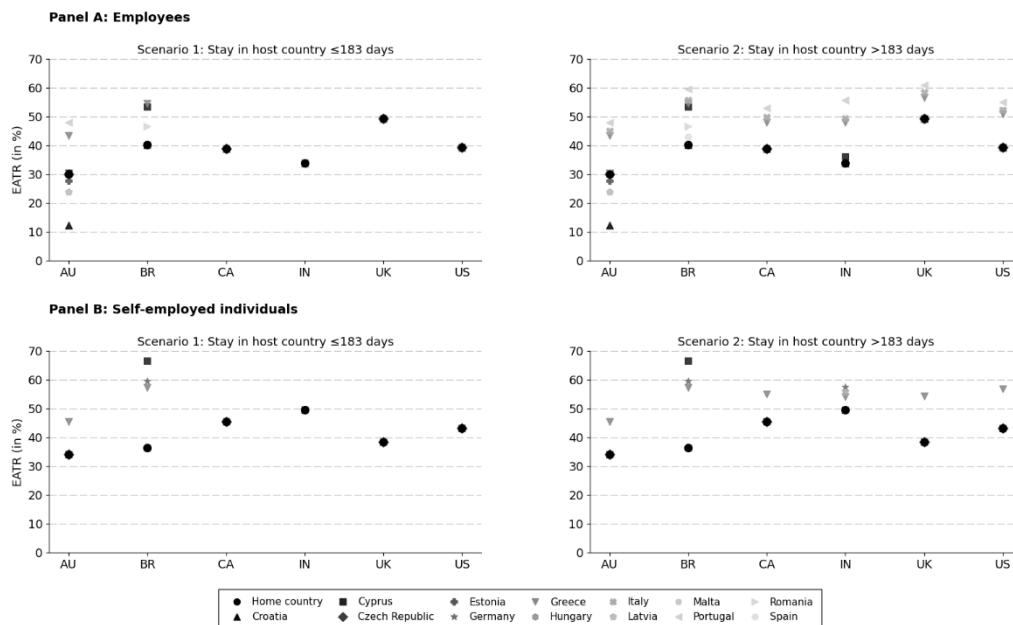
IV. SIMULATION ANALYSIS OF THE EFFECTIVE TAX BURDEN OF DIGITAL NOMADS

A. Cross-country comparison

The following section discusses the results of the simulation analysis, presenting the effective tax burden faced by digital nomads comparing it to those of domestic residents in the home country as well as the impact of the time dimension and tax planning efforts. The results capture the combined effect of personal income taxes, social security contributions, and applicable double tax treaty provisions for each country pair (i.e. home–host country combination). A detailed overview of the estimated EATR for each combination and scenario is presented in Table A.4.

First, we compare the domestic EATR of the home countries with the cross-border EATRs when relocating from one of these countries to a country offering a DNV, either to employees or self-employed individuals. By doing so, we show how the tax burden might change due to relocation to a host country and compare the tax burden of a domestic professional in one of the home countries with that of a digital nomad from that same country moving to the set of different host countries. Figure 2 reveals considerable heterogeneity in the effective tax burden faced by digital nomads across the host countries offering DNVs. The results vary substantially by home country, employment status, and duration of stay. For all six home countries, the cross-border EATRs spread across a wide range, thus reflecting both the diversity of the personal income tax laws and the social security contribution system across host countries, as well as the variation in double tax treaty provisions, if any, governing each home–host country pair.

Figure 2: Comparison of domestic EATR of home countries with cross-border EATRs when relocating to a host country



Notes: The figure shows the effective average tax rate (EATR) faced by a digital nomad depending on their home country and the host country they relocate to. The x-axis displays the six home countries (Australia (AU), Brazil (BR), Canada (CA), India (IN), the United Kingdom (UK), the United States (US)), and the y-axis shows the EATR in percent. For each home country, a black dot indicates the purely domestic tax burden the individual would face if they stayed in their home country. The remaining symbols, each representing one of the 13 EU host countries that offer a specific DNV, show the EATR the individual would face upon relocation to that country. The figure is split into *Panel A: Employees* and *Panel B: Self-employed individuals*, with *Scenario 1: Stay in host country < 183 days* and *Scenario 2: Stay in host country > 183 days* presented side by side within each panel.

A comparison of Scenarios 1 and 2 shows that the applicable double tax treaty plays a decisive role in which country has the actual taxing right, even though there is no substantial difference in

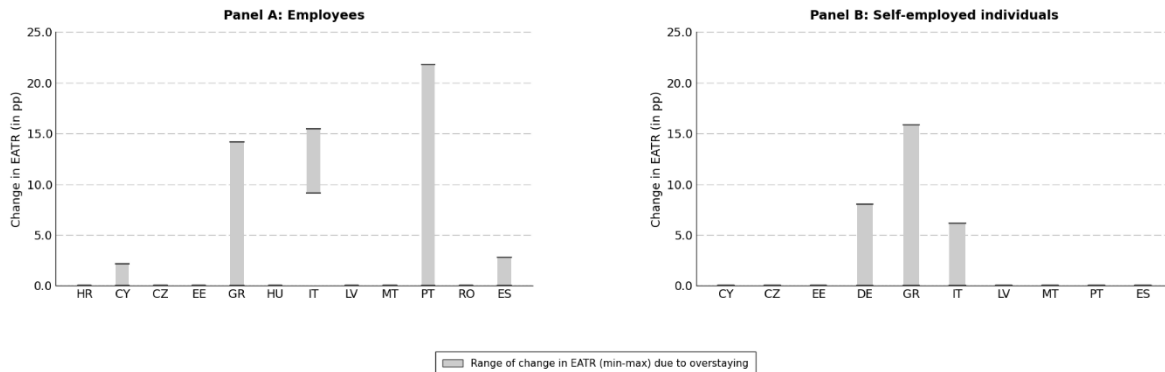
EATRs between both scenarios. This applies to Panel A and Panel B of Figure 2. In Panel A, under Scenario 1, the prevailing treaty treatment (“no tax at source”, see Table A.3) assigns taxing rights to the home country when the individual remains in the host country for less than 183 days. In Scenario 2, exceeding the 183-day threshold gives rise to a clash of unlimited tax liability in both the home and host country. Double taxation is predominantly avoided via the credit method, whereby the home country grants a tax credit for taxes already paid in the host country.

In case the domestic EATR (indicated by the black dot) ranks in the upper portion of the cross-border EATRs, relocating to one of the host countries can potentially generate a reduction in the effective tax burden. This is the case for Australia, which applies the exemption method to avoid double taxation. For US citizens, potential tax savings from relocation are inherently restricted, as the United States ties tax residence to citizenship rather than physical presence, meaning US citizens remain subject to US taxation on their worldwide income regardless of where they reside or how long they stay in a host country. A particularly notable pattern emerges for Brazil in the absence of applicable double tax treaties. For country pairs such as Brazil–Cyprus, Brazil–Malta, and Brazil–Romania, where no double tax treaty exists to allocate taxing rights or provide bilateral relief from double taxation, both the home and host country exercise full taxing rights regardless of the length of stay. The result are EATRs that substantially exceed the domestic benchmark across both scenarios.

1Second, we examine the change in the EATR due to overstaying, i.e. the case that a digital nomad stays for more than 183 days in one of the host countries, by comparing the change in EATR between Scenarios 1 and 2 for each host country. Figure 3 illustrates the range of this change across the six home countries, i.e. the range between the minimum and maximum EATR expressed in percentage points, separately for employees (Panel A) and self-employed individuals (Panel B). The results show that the cost of overstaying varies considerably across host countries and is entirely absent for several destinations. Host countries whose treaty provisions grant exemption regardless of the duration of stay show no increase in EATR when the 183-day threshold is exceeded. For other host countries, exceeding this threshold shifts the applicable treaty treatment from “no tax at source” to the credit method, making the host country’s tax rates directly relevant and generating an additional tax burden whose magnitude depends on the interplay between the host country’s tax system and that of the home country. This explains the wide grey bands observed for several destinations, most notably Portugal and Italy in Panel A (employees) and Germany and

Greece in Panel B (self-employed individuals). The change in EATR due to overstaying tends to be more pronounced for employees than for self-employed individuals in several host countries, attributable to differences in the treaty treatment of employment versus professional income. Overall, the 183-day threshold and the resulting change in EATRs underscores the importance of the duration of stay as a critical parameter in the tax planning of digital nomads.

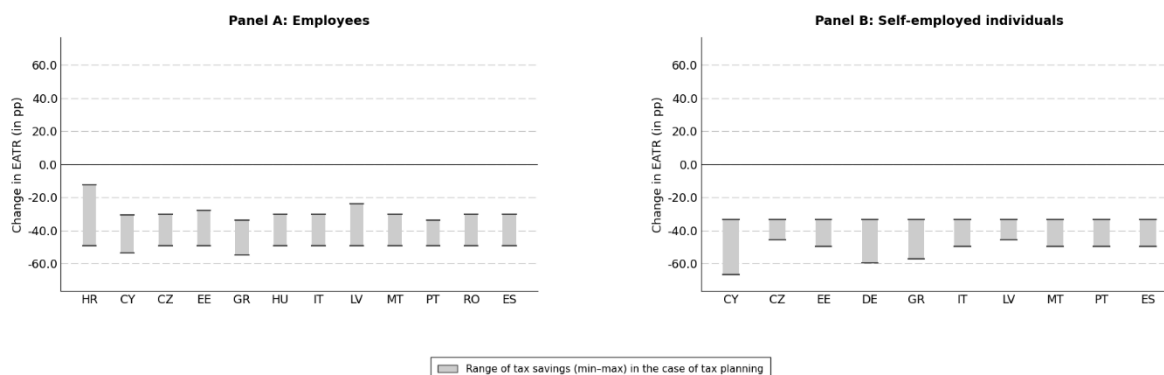
Figure 3: The cost of overstaying (Δ Scenario 2 – Scenario 1)



Notes: This figure shows the additional tax burden a digital nomad might incur by overstaying in a host country beyond the 183-day threshold, which triggers full tax liability in the host country. The x-axis shows the host countries offering DNVs for employees or self-employed individuals respectively (Croatia (HR), Cyprus (CY), Czech Republic (CZ), Estonia (EE), Germany (DE), Greece (GR), Hungary (HU), Italy (IT), Latvia (LV), Malta (MT), Portugal (PT), Romania (RO), Spain (ES)). The y-axis measures the change in EATR in percentage points between Scenario 1 and Scenario 2 (Δ Scenario 2 – Scenario 1). For each host country, a grey band spans the minimum to maximum change observed across the six countries of origin (Australia, Brazil, Canada, India, the United Kingdom, the United States). No grey band indicates no change in EATR. Panel A covers employees and Panel B covers self-employed individuals.

Third, we examine the potential tax savings achievable through active tax planning, specifically by a digital nomad first relocating to a zero-rate tax haven before moving on to a DNV host country while remaining below the 183-day threshold. Figure 4 presents the difference in EATR between this tax planning scenario and the baseline Scenario 1 (relocation to a country offering a DNV, stay below 183 days) for each host country, with the grey band spanning the minimum to maximum difference observed across the six home countries. Negative values indicate a tax saving relative to direct relocation from the home country.

**Figure 4: Tax savings due to tax planning via relocation for stays below 183 days
(Δ Scenario 3 - Scenario 1)**



Notes: This figure quantifies the potential tax saving achievable through tax planning, specifically by a digital nomad first relocating to a tax haven with a zero percent personal income tax rate before moving on to one of the host countries offering DNVs while staying below the 183-day threshold. The x-axis shows the host countries offering DNVs for employees or self-employed individuals respectively (Croatia (HR), Cyprus (CY), Czech Republic (CZ), Estonia (EE), Germany (DE), Greece (GR), Hungary (HU), Italy (IT), Latvia (LV), Malta (MT), Portugal (PT), Romania (RO), Spain (ES)). The y-axis measures the difference in EATR in percentage points (Δ Scenario 3 - Scenario 1), calculated as the host country EATR in Scenario 3 (i.e. when relocating to a tax haven) minus the Scenario 1 EATR for each of the six original countries of origin (Australia, Brazil, Canada, India, the United Kingdom, the United States). Negative values indicate a tax saving relative to moving directly from the home country, while positive values indicate a higher burden. For each host country, a grey band spans the minimum to maximum difference observed across the six home countries. Panel A covers employees and Panel B covers self-employed individuals.

The results show that routing through a zero-rate jurisdiction yields meaningful tax savings for a substantial number of host countries, with the grey band dipping well below zero for all destinations in both panels. The savings are particularly pronounced where Scenario 1 would otherwise apply the credit method or retain home-country taxation, as the strategy effectively replaces the higher tax rate in the home country with a near-zero rate. As Figure A.2 shows, for some host countries already offering a favorable tax regime, however, the additional gain from routing through a tax haven is limited or even slightly positive for certain home country combinations, suggesting that the strategy can be counterproductive where it forfeits treaty benefits or triggers less favorable treatment. As with previous findings, self-employed individuals (Panel B) face a wider range of outcomes than employees (Panel A), reflecting the greater diversity of social security contribution rules applicable to this category. Overall, while the tax planning strategy can substantially reduce the effective burden, the gains are highly sensitive to both the host country chosen and the individual's home country, underscoring that the scope for tax minimization via DNV regimes is considerable but uneven.

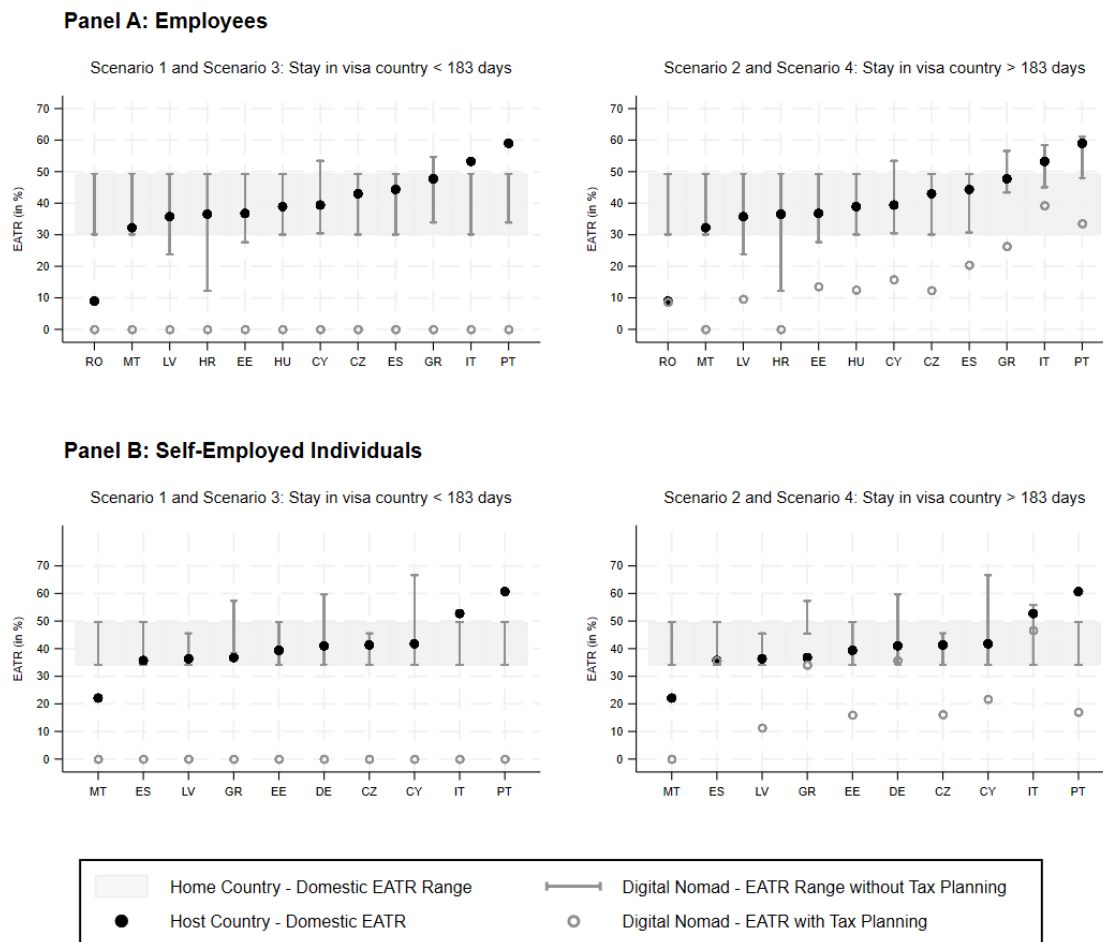
Overall, the simulation results demonstrate that the effective tax burden of digital nomads is highly sensitive to the choice of host country, the applicable double tax treaty provisions and the duration of stay. The 183-day threshold emerges as a critical parameter, as exceeding it shifts taxing rights to the host country and can substantially alter the effective burden depending on the double tax treaty treatment of the relevant home–host country pair. Finally, the analysis shows that active tax planning, specifically routing through a zero-rate jurisdiction prior to relocating to a DNV host country, can amplify these savings considerably, highlighting the significant scope for tax minimization that DNV regimes can facilitate.

B. Tax fairness concerns

The tax outcomes under digital nomad visas raise tax fairness concerns from the perspective of host countries and their permanent residents (Tyutyuryukov and Guseva, 2021). To evaluate this, we examine the difference in effective tax burdens between digital nomads and comparable local professionals in the host countries, as well as the distribution of taxing rights between home and host countries.

First, we compare the effective tax burden of a digital nomad residing in a host country to that of a comparable domestic professional in that same country. Figure 5 presents the results of this comparison. As discussed in the previous section, digital nomads' EATRs are largely determined by the home country's tax burden. Since the most common countries of origin impose significant tax burdens (ranging from 30 percent for employees in Australia to 49 percent for self-employed professionals in India), the overall tax burden of digital nomads is not substantially different from that of domestic workers in the host countries. Exceptions arise in specific constellations: in cases where digital nomads spend fewer than 183 days in a high-tax host country that does not tax the source income under a DTA, lower effective tax burdens can emerge (i.e. in Italy and Portugal). Conversely, where the credit method applies (i.e. in Italy when the digital nomad's duration of stay exceeds 183 days) this disparity is neutralized. Notably, these cases can also produce substantially higher tax burdens for digital nomads relative to domestic professionals in the host country (i.e. employed digital nomads in Romania or self-employed digital nomads in Malta). A systematically lower tax burden than domestic professionals can only be achieved, when digital nomads relocate their tax residence to a low- or zero-tax jurisdiction.

Figure 5: Comparison of a digital nomad's EATR to a domestic taxpayer's EATR in the host countries



Notes: This figure compares the effective average tax rate (EATR) of digital nomads to the EATR of domestic taxpayers in the digital nomad's host country. The x-axis shows the host countries offering DNVs for employees or self-employed individuals respectively (Croatia (HR), Cyprus (CY), Czech Republic (CZ), Estonia (EE), Germany (DE), Greece (GR), Hungary (HU), Italy (IT), Latvia (LV), Malta (MT), Portugal (PT), Romania (RO), Spain (ES)). The y-axis shows the EATR in percent. For each host country, a black dot indicates the domestic tax burden of domestic taxpayers in the digital nomad's host country. The grey band spans the minimum to maximum EATR of domestic taxpayers observed across the six home countries (Australia, Brazil, Canada, India, the United Kingdom, the United States). The dark grey whiskers span the minimum to maximum EATR of digital nomads from the six home countries and the dark grey dot indicates the minimum obtainable EATR if a digital nomad engages in tax planning (i.e. when relocating to a tax haven) in the respective host country. The figure is split into *Panel A: Employees* and *Panel B: Self-employed individuals*, with *Scenario 1 and Scenario 3: Stay in host country <183 days* and *Scenario 2 and Scenario 4: Stay in host country >183 days* presented side by side within each panel.

Taken together, these findings suggest that meaningfully lower tax burdens arise primarily when digital nomads actively engage in tax planning. Without tax planning, Figure 5 confirms that while there are several cases in which digital nomads face a lower tax burden than comparable domestic professionals, these differentials are modest in magnitude.

Beyond effective tax rates, the distribution of tax revenues between home and host countries requires closer examination. This distribution determines which country ultimately benefits fiscally from the economic activity of digital nomads, and therefore, serves as a key indicator when assessing both the fiscal attractiveness of DNV programs for host countries and their broader implications for tax fairness.

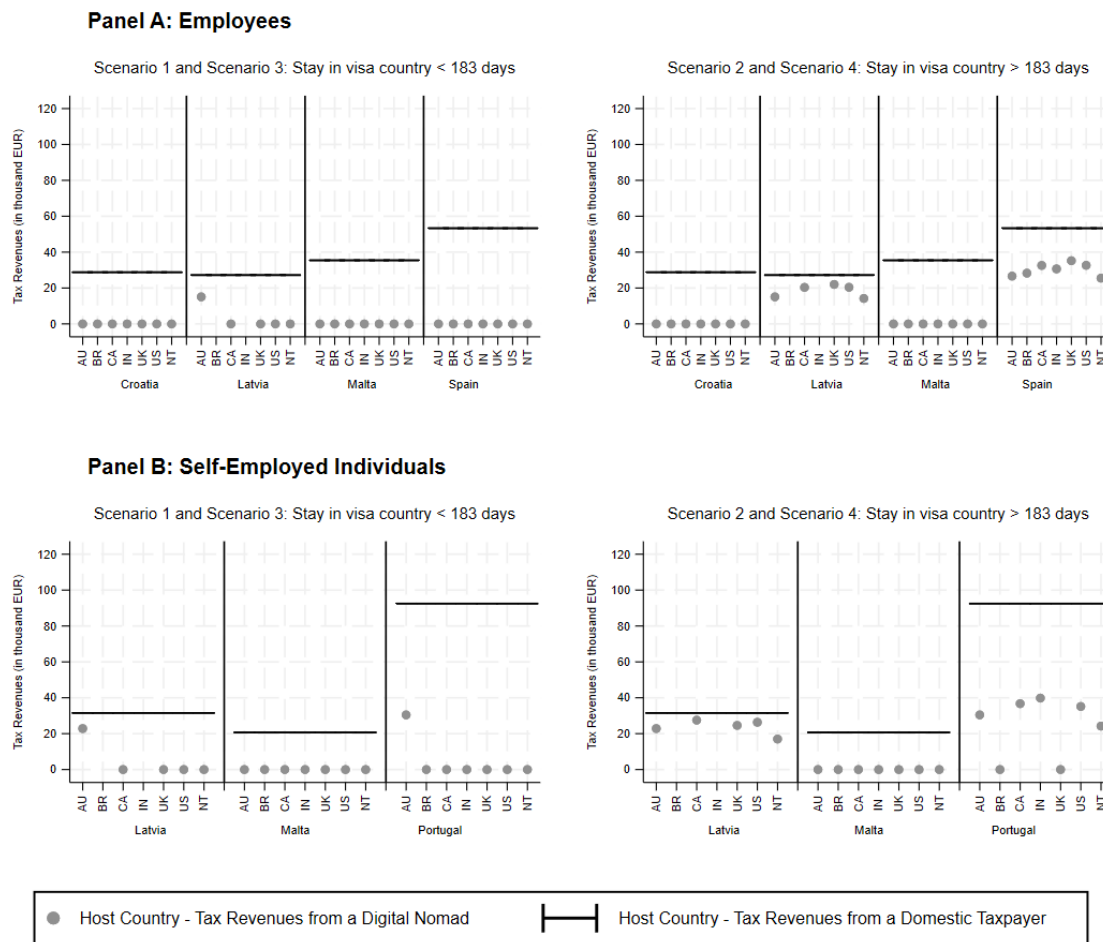
Figure A.3 confirms this pattern: below the 183-day threshold, double tax treaties prevent source taxation in over 65 percent of cases, whereas source taxation applies in 86 percent of cases for employed (and 70 percent for self-employed) digital nomads once this threshold is crossed. Since stays below 183 days predominate in mobility data,²⁷ host countries are likely to capture only limited income tax revenue from digital nomads in practice. From a fiscal perspective, this finding suggests that host countries bear the costs associated with the presence of digital nomads (i.e. demand for public infrastructure, housing, and services) without benefiting proportionately from the income tax revenues their economic activity generates. A comprehensive fiscal evaluation of DNVs should, however, extend beyond personal income taxation. Digital nomad visa holders are typically required to demonstrate a stable income, though this does not necessarily make them a high-income group relative to the domestic workforce, as income thresholds are often not substantially above national averages. Their consumption expenditure nonetheless generates indirect tax revenues for host countries without the digital nomads directly competing in the local labor market (OECD, 2022).

The fiscal dimension of host country tax revenues also sheds light on a further tax fairness concern: the role of targeted tax incentives. While the preferential rates granted to digital nomads in Croatia (0 percent for employed digital nomads), Latvia (15 percent), Malta (0 percent), Portugal (20 percent for self-employed digital nomads), and Spain (24 percent for employed digital nomads) are not visible in the EATRs due to the application of the credit method in most cases, they become clearly visible when analyzing the absolute tax payments accruing to host countries.²⁸

²⁷ MBO Partners (2024) determines in its US survey that the average length of stay of a digital nomad is approximately 55 days in one location and data from Nomads.com (2024) shows an average stay of 64 days in one location.

²⁸ For all cases without preferential tax rates, the absolute tax payments are broadly comparable, though rarely exactly equal to the taxes paid by comparable local professionals. This is because the model calculates the pre-tax income under the condition that it results in a net-of-tax income of EUR 100,000. Even if the tax burden in percent in the host country is the same, the absolute value can vary due to differing pre-tax income, caused by taxes and social security contributions paid abroad.

Figure 6: Comparison of a digital nomad's tax burden to a domestic taxpayer's tax burden in host countries with a special DNV tax rate



Notes: The figure compares the absolute tax burden of a digital nomad in a host country to a domestic taxpayer in this host country. The x-axis displays the country pairs consisting of the six home countries including the country of relocation (Australia (AU), Brazil (BR), Canada (CA), India (IN), the United Kingdom (UK), the United States (US), zero-tax country (NT)) and the host countries that offer reduced tax rates to digital nomads through their digital nomad visa, i.e. Latvia (15%), Malta (0%), Portugal (20%, only self-employed digital nomads), and Spain (24%, only employed digital nomads). The y-axis shows the absolute tax burden in thousands of euros. For each country pair, a grey dot indicates the tax burden of a digital nomad from the respective home country staying in the respective host country. The black line shows the tax burden of a domestic taxpayer in this host country. The figure is split into *Panel A: Employees* and *Panel B: Self-employed individuals*, with *Scenario 1 and Scenario 3: Stay in host country < 183 days* and *Scenario 2 and Scenario 4: Stay in host country > 183 days* presented side by side within each panel.

Figure 6 compares the income tax liabilities of a domestic taxpayer and a digital nomad in the host country, expressed in thousand euros, assuming an equivalent net income. The results highlight that in countries with targeted digital nomad tax incentives, the tax liability of digital nomads is substantially lower than that of comparable domestic taxpayers. Consequently, the incentive structures observed in Croatia, Latvia, Malta, Portugal, and Spain appear to undermine the principle of horizontal equity.

Overall, our analysis demonstrates that tax fairness concerns primarily arise when digital nomads engage in tax planning to lower their effective tax burdens or when host countries issue targeted tax incentives through their digital nomad visas. Where digital nomad visas merely provide administrative clarity without preferential tax treatment, horizontal equity concerns appear considerably less pronounced. A further fairness concern relates to the uneven distribution of taxing rights between home and host countries, as host countries bear the costs associated with digital nomads' presence without capturing a proportionate share of income tax revenue. This suggests that the fiscal case for digital nomad visas rests less on personal income tax revenues than on the broader economic contributions of digital nomads.

V. CONCLUSION

In this study, we simulate the effective tax burdens of digital nomads in the EU based on observed mobility patterns, in which digital nomad visas appear to play a central role. Our findings show that the complex tax circumstances faced by digital nomads generate a wide range of tax outcomes, which do not inherently constitute a tax advantage. Low- or no-tax outcomes arise only in narrowly defined cases and typically presuppose targeted tax planning strategies. Digital nomadism, however, not only affects individual tax liabilities but also has implications for the allocation of tax revenues between countries, thereby raising broader tax fairness concerns.

The results provide several policy-relevant insights and highlight the need for a nuanced reassessment of cross-border tax rules. While the effective tax burden depends on multiple factors, such as the existence and design of tax treaties, the applicable double taxation relief mechanism, employment status, and, most importantly, the duration of stay, our analysis demonstrates that existing tax frameworks are ill-equipped to address today's patterns of remote work. The bilateral tax treaties considered in our study were negotiated long before the rapid expansion of cross-border remote work, accelerated by the COVID-19 pandemic.

For employees, exceeding the 183-day physical presence threshold can lead to a substantial change in tax liability and trigger compliance obligations in an unfamiliar foreign tax system. A key policy implication is therefore the need for accessible, reliable, and administratively straightforward guidance on tax compliance in host countries, alongside continued international coordination on the taxation of highly mobile individuals. Even though such initiatives are not a safeguard against

tax evasion, improving transparency and legal certainty is a prerequisite for ensuring proper compliance and reducing unintentional non-compliance.

Given the central role of DNVs in digital nomads' mobility patterns, the broader question arises as to whether they constitute a desirable instrument from a tax policy perspective. On the one hand, DNV programs may intensify tax competition between countries and create opportunities for tax planning. On the other hand, they can serve as regulatory tools that enhance transparency, facilitate registration and monitoring, and provide greater clarity regarding the applicable legal and tax obligations. From a tax revenue perspective, our findings suggest that DNVs are unlikely to generate substantial additional personal income tax revenues for host countries. The fiscal evaluation of DNVs should, however, extend beyond personal income taxation considering, for example, the generation of indirect tax revenues through consumption. Finally, the findings raise questions on the issue of tax fairness. Our analysis suggests that fairness concerns arise primarily in settings where digital nomads receive targeted tax incentives unavailable to domestic taxpayers with comparable income levels. Where DNVs merely provide administrative clarity without preferential tax treatment, such fairness concerns appear considerably less pronounced. Several directions for future research seem worthwhile. First, more empirical evidence is needed on the fiscal effects of digital nomadism, particularly the extent to which digital nomads rely on public services and what this means for host country tax revenues. Second, future research should account for incidence, since the economic effects of remote work arrangements are unlikely to fall on digital nomads alone. Employers, for instance, may adjust compensation in response to location flexibility, which would affect how gains and costs are ultimately distributed. Finally, a more detailed assessment of digital nomadism should consider potential positive spillovers, such as knowledge transfer, innovation, and additional local consumption.

Overall, our study underscores the need to modernize the international tax framework to adequately address the challenges posed by digital nomads and an increasingly mobile workforce. DNVs can play a constructive role to the extent that they enhance transparency, legal certainty, and international coordination. However, using DNV programs as instruments of tax competition is unlikely to constitute a sustainable tax policy approach. Instead, coordinated multilateral efforts are required to prevent unequal taxation, reduce tax planning opportunities, and ensure that tax systems remain robust in an increasingly mobile and digitalized economy.

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APPENDIX

Table A.1: Tax Regulations of Digital Nomad Visas in the EU as of 2023

Country	Employment Status	Tax residence	Special Tax Features		Social Security contributions
			Tax exemption	Flat tax rate	
Croatia	Employed	No	Yes	No	No
Cyprus	Employed, Self-Employed	Yes, after 183 days ^(a)	Yes (20% up to EUR 8,550/year)	No	Case-by-case basis
Czech Republic	Employed, Self-Employed	Yes, after 183 days	No	No	Case-by-case basis
Estonia	Employed, Self-Employed	Yes, after 183 days	No	No	Yes
Germany	Self-Employed	Yes, after 90 days	No	No	Yes
Greece	Employed, Self-Employed	Yes, after 183 days	No	No	Likely no if paid in other country
Hungary	Employed	Yes, after 183 days	No	No	Case-by-case basis
Italy^(b)	Employed, Self-Employed	Yes, after 183 days	No	No	Yes
Latvia	Employed, Self-Employed	Yes	No	15%	Yes
Malta	Employed, Self-Employed	No	Yes (in the first year)	10% (after one year)	Likely no if paid in other country
Portugal	Employed, Self-Employed	Yes, after 183 days	No	20% ^(c)	Likely no if paid in other country
Romania	Employed	Yes, after 183 days	No	No	Yes, after 183 days
Spain	Employed, Self-Employed	Yes, after 183 days	No	24% ^(d)	Likely no if paid in other country

Notes: This table shows the tax and social security implications of the DNV available in the EU as of 2023. *Employment Status* indicates if the visa is available to employed and/or self-employed digital nomads, *Tax Residence* indicates if and when a digital nomad becomes a tax resident in the host country, *Special Tax Features* shows if the DNV either exempts the digital nomad from taxation in the host country or offers a special tax rate, and *Social Security Contributions* indicates if and when a digital nomad becomes liable to social security contributions in the host country. The information is obtained from KPMG (2024) and the countries' government websites. ^(a) In the case of Cyprus, the digital nomad only obtains tax residence in Cyprus after 183 days provided there is no tax residence in any other country. ^(b) We include Italy as it introduced its digital nomad visa through Legislative Decree no. 4/2022 in 2022, however, we acknowledge that the visa was factually not available in 2023 as the methods and requirements for the entry and residence of digital nomads were stated later in 2024 (Ministero del Lavoro e delle Politiche Sociali et al., 2024). ^(c) In Portugal the flat tax rate of 20% is only applicable for income derived from "high value-added" activities. Those include the activities of IT Programmers and consultants. ^(d) The Spanish flat tax rate of 24% is only applicable to taxable income up to EUR 600,000. On taxable income above EUR 600,000 a flat income tax rate of 47% is applicable.

Table A.2: Logged travel locations and logged travels of digital nomads by continent**Panel A: Logged travel locations of digital nomads by continent**

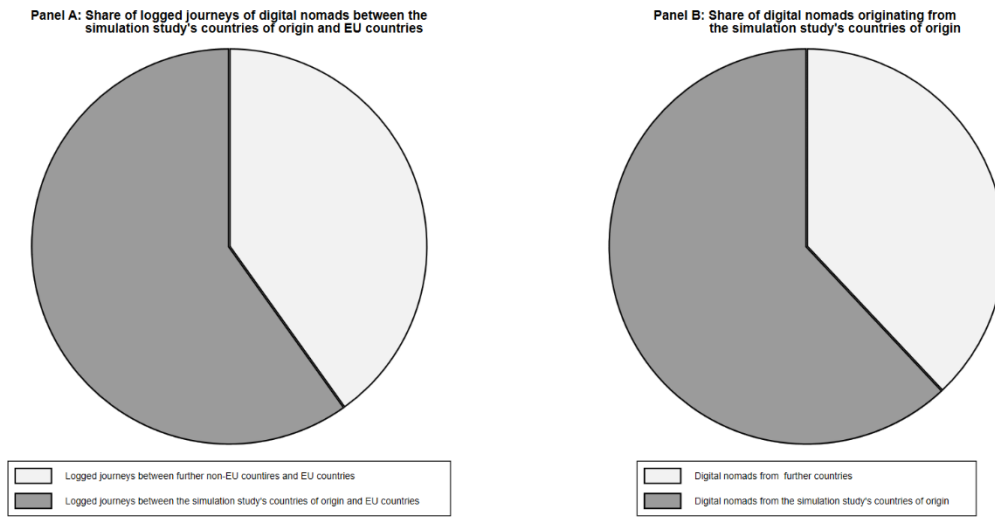
	Number of Countries	Number of Cities
Africa	33	63
Asia	40	151
Europe	37	131
North America	17	162
Oceania	11	28
South America	12	62
Total	150	597

Panel B: Logged journeys of digital nomads by continent

Number of Intracontinental Travels		Number of Intercontinental Travels	
Intra-Asia	5,142	Asia – Europe	281
Intra-Europe	2,249	Europe – North America	188
Intra-North America	1,054	North America – South America	172
Intra-South America	1,043	Asia – Oceania	109
Intra-Oceania	324	Asia – North America	106
Intra-Africa	240	Africa – Asia	88
		Africa – Europe	78
		Europe – South America	51
		North America – Oceania	4
		Asia – South America	4
		Europe – Oceania	2
		Africa – North America	1
		Africa – South America	1

Notes: This table shows descriptive statistics of the dataset employed to determine the input parameters for the simulation analysis in Section IV. Panel A shows the *number of countries* and the *number of cities* included in the dataset by continent. Panel B shows the logged intra- and intercontinental journeys by continent. There are no logged journeys for the routes *Africa – Oceania* and *Oceania – South America*. The dataset is collected the data from Nomads.com (2026) and consists of the logged journeys of around 20,000 digital nomads between the continent’s 50 most popular travel locations between April 1, 2024, and April 1, 2026. The presented total number of locations deviates from 50 as the continents’ 50 most popular travel locations are subject to changes.

Figure A.1: Relevance of the simulation study's countries of origin in Nomads.com dataset



Notes: This figure highlights the relevance of the six countries of origin considered in the simulation analysis in Section IV (Australia, Brazil, Canada, India, the United Kingdom, the United States) based on data collected from Nomads.com. Panel A shows the share of logged journeys of digital nomads between the simulation study's countries of origin and an EU country in all logged travels between EU and non-EU countries. The dataset is collected from Nomads.com (2026) and consists of the logged journeys of around 20,000 digital nomads between the continents' 50 most popular travel locations between April 1, 2024, and April 1, 2026. Panel B shows the share of digital nomads whose home country is considered in our simulation analysis in all indicated countries of origin. The statistics on the countries of origin of digital nomads as of 2024 are obtained from Nomads.com (2024) and might be subject to changes.

Table A.3: Elimination of Double Taxation between Sample Countries in 2023

Home Country	Host Country	≤ 183 Days in Host Country		> 183 Days in Host Country	
		Employment Income	Professional Income	Employment Income	Professional Income
Australia	Croatia	Exemption	Credit	Exemption	Credit
Australia	Cyprus	Exemption	Credit	Exemption	Credit
Australia	Czech Rep.	No tax at source	No tax at source	Credit	Credit
Australia	Estonia	Exemption	Credit	Exemption	Credit
Australia	Germany	No tax at source	No tax at source	Credit	No tax at source
Australia	Greece	Exemption	Credit	Exemption	Credit
Australia	Hungary	No tax at source	No tax at source	Credit	No tax at source
Australia	Italy	No tax at source	No tax at source	Credit	No tax at source
Australia	Latvia	Exemption	Credit	Exemption	Credit
Australia	Malta	No tax at source	No tax at source	Credit	Credit
Australia	Portugal	Exemption	Credit	Exemption	Credit
Australia	Romania	No tax at source	No tax at source	Credit	No tax at source
Australia	Spain	No tax at source	No tax at source	Credit	No tax at source
Brazil ^(a)	Croatia	Credit	Credit	Credit	Credit
Brazil ^(a)	Cyprus	Double taxed	Double taxed	Double taxed	Double taxed
Brazil	Czech Rep.	No tax at source	No tax at source	Credit	No tax at source
Brazil ^(a)	Estonia	Credit	Credit	Credit	Credit
Brazil ^(a)	Germany	Credit	Credit	Credit	Credit
Brazil ^(a)	Greece	Credit	Credit	Credit	Credit
Brazil	Hungary	No tax at source	No tax at source	Credit	No tax at source
Brazil	Italy	No tax at source	No tax at source	Credit	No tax at source
Brazil ^(a)	Latvia	Credit	Credit	Credit	Credit
Brazil ^(a)	Malta	Double taxed	Double taxed	Double taxed	Double taxed
Brazil	Portugal	No tax at source	No tax at source	Credit	No tax at source
Brazil ^(a)	Romania	Double taxed	Double taxed	Double taxed	Double taxed
Brazil	Spain	No tax at source	No tax at source	Credit	No tax at source
Canada ^(b)	Croatia	No tax at source	No tax at source	Credit	Credit
Canada ^(b)	Cyprus	No tax at source	No tax at source	Credit	No tax at source
Canada ^(b)	Czech Rep.	No tax at source	No tax at source	Credit	Credit
Canada ^(b)	Estonia	No tax at source	No tax at source	Credit	Credit
Canada ^(b)	Germany	No tax at source	No tax at source	Credit	No tax at source
Canada ^(b)	Greece	No tax at source	No tax at source	Credit	Credit
Canada ^(b)	Hungary	No tax at source ^(c)	No tax at source	Credit	No tax at source
Canada ^(b)	Italy	No tax at source	No tax at source	Credit	No tax at source
Canada ^(b)	Latvia	No tax at source	No tax at source	Credit	Credit
Canada ^(b)	Malta	No tax at source	No tax at source	Credit	Credit
Canada ^(b)	Portugal	No tax at source	No tax at source	Credit	Credit
Canada ^(b)	Romania	No tax at source	No tax at source	Credit	No tax at source
Canada ^(b)	Spain	No tax at source	No tax at source	Credit	No tax at source
India	Croatia	No tax at source	No tax at source	Credit	Credit
India	Cyprus	No tax at source	No tax at source	Credit	Credit
India	Czech Rep.	No tax at source	No tax at source	Credit	Credit

India	Estonia	No tax at source	No tax at source	Credit	Credit
India	Germany	No tax at source	No tax at source ^(d)	Credit	Credit
India	Greece	No tax at source	No tax at source	Exemption	Exemption
India	Hungary	No tax at source	No tax at source	Credit	Credit
India	Italy	No tax at source	No tax at source	Credit	Credit
India	Latvia	No tax at source	No tax at source	Credit	Credit
India	Malta	No tax at source	No tax at source	Credit	Credit
India	Portugal	No tax at source	No tax at source	Credit	Credit
India	Romania	No tax at source	No tax at source	Credit	Credit
India	Spain	No tax at source	No tax at source	Credit	Credit
UK	Croatia	No tax at source	No tax at source	Credit	No tax at source
UK	Cyprus	No tax at source	No tax at source	Credit	No tax at source
UK	Czech Rep.	No tax at source	No tax at source	Credit	No tax at source
UK	Estonia	No tax at source	No tax at source	Credit	Credit
UK	Germany	No tax at source	No tax at source	Credit	No tax at source
UK	Greece	No tax at source	No tax at source	Credit	Credit
UK	Hungary	No tax at source	No tax at source	Credit	No tax at source
UK	Italy	No tax at source	No tax at source	Credit	No tax at source
UK	Latvia	No tax at source	No tax at source	Credit	Credit
UK	Malta	No tax at source	No tax at source	Credit	Credit
UK	Portugal	No tax at source	No tax at source	Credit	No tax at source
UK	Romania	No tax at source	No tax at source	Credit	Credit
UK	Spain	No tax at source	No tax at source	Credit	No tax at source
USA	Croatia	Credit	Credit	Credit	Credit
USA	Cyprus	No tax at source	No tax at source	Credit	Credit
USA	Czech Rep.	No tax at source	No tax at source	Credit	Credit
USA	Estonia	No tax at source	No tax at source	Credit	Credit
USA	Germany	No tax at source	No tax at source	Credit	No tax at source
USA	Greece	No tax at source	No tax at source	Credit	Credit
USA	Hungary	No tax at source	No tax at source	Credit	Credit
USA	Italy	No tax at source	No tax at source	Credit	No tax at source
USA	Latvia	No tax at source	No tax at source	Credit	Credit
USA	Malta	No tax at source	No tax at source	Credit	No tax at source
USA	Portugal	No tax at source	No tax at source	Credit	Credit
USA	Romania	No tax at source	No tax at source	Credit	Credit
USA	Spain	No tax at source	No tax at source	Credit	No tax at source

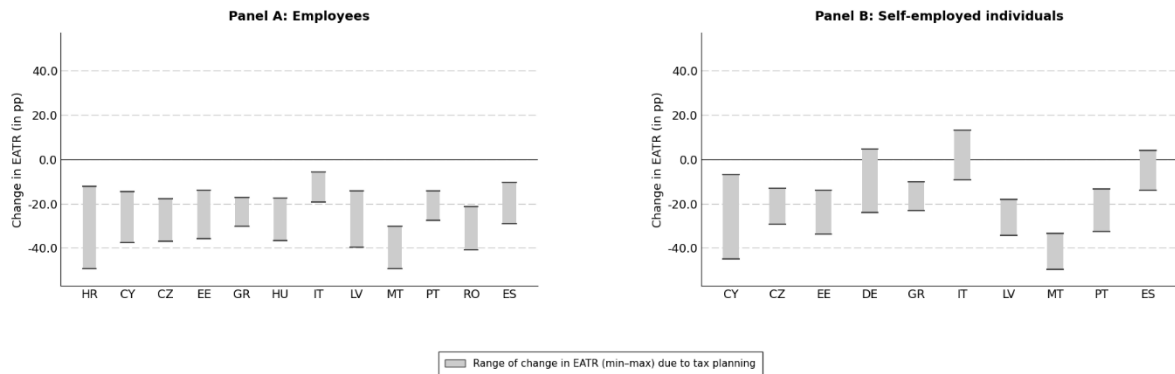
Notes: This table shows the methods employed to eliminate double taxation between the sample countries in the simulation analysis in Section IV. Country pairs without a tax treaty are marked in grey and are resolved following the countries' unilateral approaches. For professional income we assume that digital nomads do not establish a fixed base or PE in their host countries. All information is taken from the respective DTAs or IBFD Tax Research Platform. ^(a) In Brazil, the unilateral double taxation relief through the credit method is only available for up to one year after leaving Brazil. We assume that digital nomads do not exceed this limit in *> 183 Days in Host Country*. ^(b) In Canada, we do not consider the departure tax. ^(c) The tax treaty between Canada and Hungary uses a limit of 90 days in the context of employment instead of 183 days. We assume that digital nomads do not exceed this limit in *≤ 183 Days in Host Country*. ^(d) The tax treaty between India and Germany uses a limit of 120 days in the context of professional services instead of 183 days. We assume that digital nomads do not exceed this limit in *≤ 183 Days in Host Country*.

Table A.4: Effective Tax Rate across all Scenarios (EATR in percent)

			Home country						
		Domestic	Australia	Brazil	Canada	India	United Kingdom	United States	Tax Haven [US Citizen]
Employees	Domestic		30.04	40.21	38.81	33.87	49.29	39.22	0.00
	< 183 days in host country								
	Croatia	36.53	12.17	40.21	38.81	33.87	49.29	39.22	0.00 [0.00]
	Cyprus	39.42	30.44	53.44	38.81	33.87	49.29	39.22	0.00 [0.00]
	Czech Republic	43.01	30.04	-	38.81	-	49.29	39.22	0.00 [0.00]
	Estonia	36.75	27.62	40.55	38.81	33.87	49.29	39.22	0.00 [0.00]
	Greece	47.74	43.39	54.62	38.81	33.87	49.29	39.22	0.00 [0.00]
	Hungary	38.92	30.04	40.21	38.81	33.87	49.29	39.22	0.00 [0.00]
	Italy	53.26	30.04	40.21	38.81	33.87	49.29	39.22	0.00 [0.00]
	Latvia	35.73	23.76	-	38.81	-	49.29	39.22	0.00 [0.00]
	Malta	32.25	30.04	40.21	38.81	33.87	49.29	39.22	0.00 [0.00]
	Portugal	58.98	47.90	40.21	38.81	33.87	49.29	39.22	0.00 [0.00]
	Romania	8.97	30.04	46.66	38.81	33.87	49.29	39.22	0.00 [0.00]
	Spain	44.36	30.04	40.21	38.81	33.87	49.29	39.22	0.00 [0.00]
	≥ 183 days in host country								
	Croatia	36.53	12.17	40.21	38.81	33.87	49.29	39.22	23.96 [23.96]
	Cyprus	39.42	30.44	53.44	38.81	36.05	49.29	39.22	15.81 [15.81]
	Czech Republic	43.01	30.00	-	38.81	-	49.29	39.22	12.35 [12.35]
	Estonia	36.75	27.62	40.55	38.81	33.87	49.29	39.22	10.17 [10.17]
	Greece	47.74	43.39	54.62	48.03	48.01	56.56	50.88	31.87 [31.87]
	Hungary	38.92	30.40	40.21	38.81	33.87	49.29	39.22	12.75 [12.75]
	Italy	53.26	45.03	55.59	49.74	49.34	58.45	52.38	39.28 [39.28]
	Latvia	35.73	23.76	-	38.81	-	49.29	39.22	9.62 [9.62]
	Malta	32.25	30.04	40.21	38.81	33.75	49.29	39.22	0.00 [0.00]
	Portugal	58.98	47.90	59.56	52.99	55.69	60.98	54.99	33.57 [33.57]
	Romania	8.97	30.40	46.66	38.81	33.87	49.29	39.22	8.65 [8.65]
	Spain	44.36	30.71	42.99	38.81	33.87	49.29	39.22	20.40 [20.40]
Self-employed Individuals	Domestic		34.09	36.54	45.52	49.63	38.47	43.36	0.00
	< 183 days in host country								
	Cyprus	41.78	34.09	66.62	45.52	49.63	38.47	43.36	0.00 [10.09]
	Czech Republic	41.35	34.09	-	45.52	-	38.47	43.36	0.00 [10.09]
	Estonia	39.39	34.09	36.65	45.52	49.63	38.47	43.36	0.00 [10.09]
	Germany	41.02	34.09	59.61	45.52	49.63	38.47	43.36	0.00 [10.09]
	Greece	36.78	45.49	57.28	45.52	49.63	38.47	43.36	0.00 [10.09]
	Italy	52.73	34.09	36.54	45.52	49.63	38.47	43.36	0.00 [10.09]
	Latvia	36.34	34.09	-	45.52	-	38.47	43.36	0.00 [10.09]
	Malta	22.10	34.09	36.54	45.52	49.63	38.47	43.36	0.00 [10.09]
	Portugal	60.67	34.09	36.54	45.52	49.63	38.47	43.36	0.00 [10.09]
	Spain	35.74	34.09	36.54	45.52	49.63	38.47	43.36	0.00 [10.09]
	≥ 183 days in host country								
	Cyprus	41.78	34.09	66.62	45.52	49.63	38.47	43.36	21.72 [36.40]
	Czech Republic	41.35	34.09	-	45.52	-	38.47	43.36	16.15 [30.47]
	Estonia	39.39	34.09	36.65	45.52	49.63	38.47	43.36	12.82 [29.40]
	Germany	41.02	34.09	59.61	45.52	57.69	38.47	43.36	35.74 [47.93]
	Greece	36.78	45.49	57.28	55.07	54.21	54.33	56.93	38.61 [46.73]
	Italy	52.73	34.09	36.54	45.52	55.78	38.47	43.36	46.65 [56.66]
	Latvia	36.34	34.09	-	45.52	-	38.47	43.36	11.32 [25.34]
	Malta	22.10	34.09	36.54	45.52	49.63	38.47	43.36	0.00 [10.09]
	Portugal	60.67	34.09	36.54	45.52	49.63	38.47	43.36	17.04 [30.16]
	Spain	35.74	34.09	36.54	45.52	49.63	38.47	43.36	33.73 [47.59]

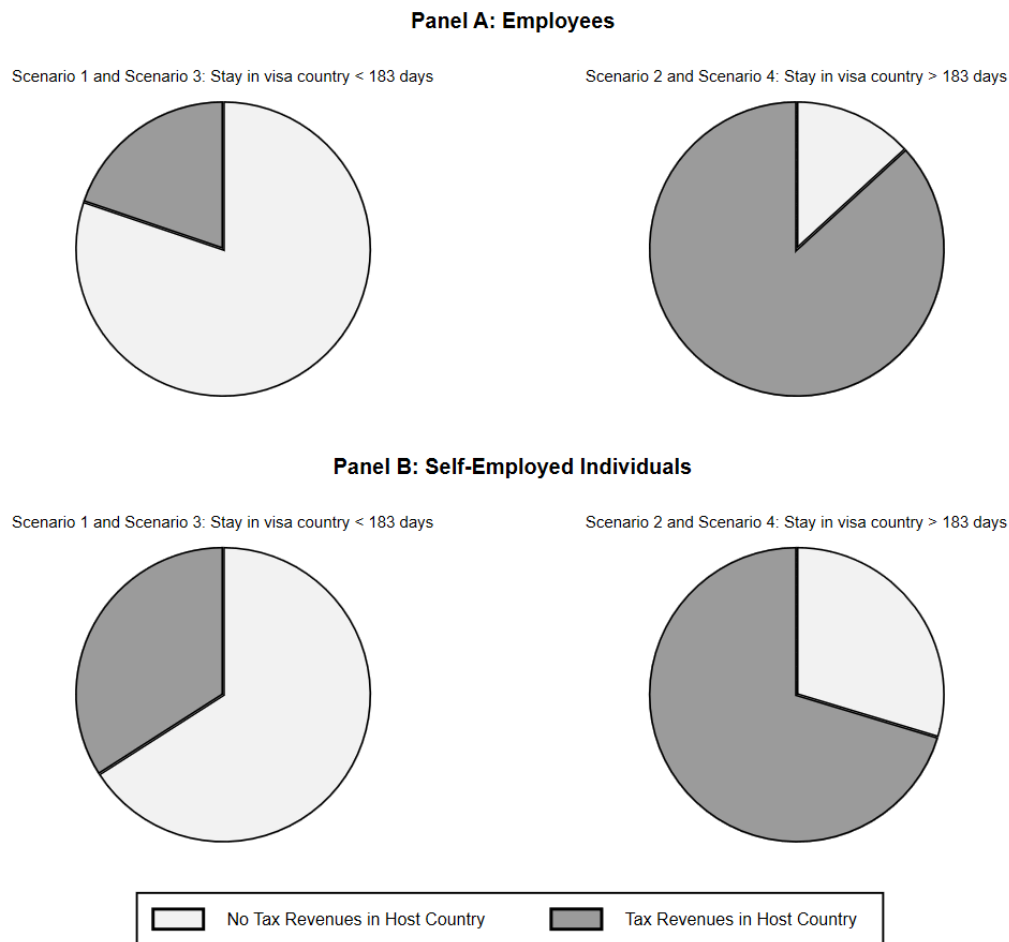
Notes: This table summarizes the effective average tax rates (EATR) in percent across all scenarios of the simulation analysis in Section IV. The tax haven case considers the case of citizenship-based taxation for US citizens.

Figure A.2: Tax savings due to tax planning for stays above 183 days



Notes: This figure quantifies the potential tax saving achievable through tax planning, specifically by a digital nomad first relocating to a tax haven with a zero percent personal income tax rate before moving on to one of the host countries offering DNVs while exceeding the 183-day threshold. The x-axis shows the host countries offering DNVs for employees or self-employed individuals respectively (Croatia (HR), Cyprus (CY), Czech Republic (CZ), Estonia (EE), Germany (DE), Greece (GR), Hungary (HU), Italy (IT), Latvia (LV), Malta (MT), Portugal (PT), Romania (RO), Spain (ES)). The y-axis measures the difference in EATR in percentage points, calculated as the host country EATR in Scenario 4 (i.e. when relocating to a tax haven) minus the Scenario 2 EATR for each of the six original countries of origin (Australia, Brazil, Canada, India, the United Kingdom, the United States). Negative values indicate a tax saving relative to moving directly from the home country, while positive values indicate a higher burden. For each host country, a grey band spans the minimum to maximum difference observed across the six home countries. Panel A covers employees and Panel B covers self-employed individuals.

Figure A.3: Share of simulated cases in which host countries earn tax revenues through the presence of digital nomads



Notes: This figure shows the share of cases in the simulation analysis in which the host country earns income tax revenues through the presence of a digital nomad in their country. The dark grey area indicates the share of cases where the digital nomad's host country earns income tax revenues, and the light grey area indicates the share of cases in which the host country earns no tax revenues through the presence of a digital nomad. The simulation study includes 164 cases for employed digital nomads (i.e. the combination of the length of stay, the home countries Australia, Brazil, Canada, India, the United Kingdom, the United States, and a no-tax country with the host countries Croatia, Cyprus, Czech Republic, Estonia, Spain, Greece, Hungary, Italy, Latvia, Malta, Portugal, and Romania) and 134 cases for self-employed digital nomads (i.e. the combination of the length of stay, home countries Australia, Brazil, Canada, India, the United Kingdom, the United States, and a no-tax country with the host countries Cyprus, Czech Republic, Estonia, Spain, Greece, Germany, Italy, Latvia, Malta, and Portugal). The figure is split into *Panel A: Employees* and *Panel B: Self-employed individuals*, with *Scenario 1 and Scenario 3: Stay in host country <183 days* and *Scenario 2 and Scenario 4: Stay in host country >183 days* presented side by side within each panel.



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