

# Germany - Tail Light Position in Digitization - An Analysis of a Decentralized Tax Administration Based on the Digital European Society Index

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This paper describes the historical reasons for a decentralized tax administration in Germany and compares different structures. With special consideration of a five-step model for the digitization in Europe and the OECD listed challenges, an in-depth analysis of the Digital Economy and Society Index (DESI) reveals Germany's weakening position in the European context. For this purpose, the DESI of 2019 was adapted to cover the essential determinants of the tax administration. This adapted DESI (a-DESI) value was linked to the gross domestic product (GDP) per capita 2019 in order to include the performance of the countries. For this in-depth analysis, the new key indicator Relative Digitization Efficiency (RDE) was developed and revealed that Germany is at the bottom of the league in digitization, although the GDP per capita offers the country many opportunities. The decentralized tax administration could be linked to a negative impact on the progress of digitization because of structural disadvantages.