

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

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## Abstract

In recent years, an increasing number of countries around the world have introduced so-called Digital Nomad Visas (DNVs). These are intended to address a current trend – the digital nomad lifestyle, which combines remote work with travel. Some of these DNVs include, in addition to residence and work permits, specific tax incentives available for digital nomads. This paper examines the effective tax burden of digital nomads under these visas in the European Union in a simulation analysis.

Our preliminary findings indicate that the tax burden of digital nomads is mostly related to the taxation in their country of tax residence. Consequently, when no tax burden stems from the country of tax residence, they can obtain significant tax savings in comparison to workers in their home countries and even domestic workers in their host countries. Moreover, we employ travel data of digital nomads to gain insights into their movement patterns.