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Research Article

TAXING THE DIGITAL NOMAD: JURISDICTIONAL CHALLENGES IN THE ERA OF REMOTE WORK AND GLOBAL MOBILITY

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Abstract
The expansion of remote work has challenged international tax systems built around territorial presence, residence, and identifiable workplaces. This study examines jurisdictional conflicts affecting digital nomads, focusing on tax residence, income sourcing, treaty allocation, and employer permanent establishment exposure. A qualitative comparative doctrinal approach analyzes legislation, bilateral tax treaties, official guidance, and OECD interpretive materials relating to Indonesia, Portugal, and Thailand. Standardized hypothetical scenarios involving employees, independent professionals, and entrepreneurs are used to identify differences in legal treatment. The findings reveal that residence thresholds and income classification rules vary across jurisdictions, potentially creating overlapping tax obligations and compliance uncertainty. Short-term presence does not automatically confer tax exemption, while foreign payment arrangements do not necessarily establish foreign-source income. Treaty relief remains conditional on eligibility and specific circumstances, and employer permanent establishment questions require separate analysis from personal taxation. The study concludes that digital nomad taxation primarily exposes coordination problems among existing legal frameworks rather than a complete regulatory vacuum. Clearer administrative guidance, consistent documentation, and international cooperation could improve predictability without undermining legitimate taxing rights. Future research should examine actual disputes and administrative practices to assess how these jurisdictional challenges affect compliance across diverse mobility arrangements in increasingly interconnected global economies.

Keywords: Digital Nomads, Double Taxation, Global Mobility

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INTRODUCTION

Remote work has transformed international labor markets by separating professional activity from fixed workplaces. Digital nomads increasingly earn income while moving between countries, challenging tax systems historically organized around residence, territorial presence, and identifiable employment locations. This mobility creates uncertainty over which jurisdiction may tax earnings and how governments can preserve fairness without discouraging legitimate cross-border economic participation (Cahyadini, 2025; Diller, 2026).

Digital platforms, international payment services, and flexible employment arrangements enable individuals to provide services across borders with limited physical infrastructure. Digital nomads include employees, independent contractors, and business owners whose legal relationships generate different tax consequences. Their mobility complicates traditional distinctions between residence-based taxation, source-based taxation, and the location where economic activities are physically performed and recorded.

International tax treaties seek to allocate taxing rights and relieve double taxation, yet their application depends on particular facts and domestic legislation. The OECD updated its Model Tax Convention commentary in 2025 to clarify when cross-border home working may create an employer's permanent establishment for multinational enterprises. This development underscores growing institutional recognition of mobility-related tax uncertainty.

Tax residence constitutes a central jurisdictional challenge because domestic rules may rely on days of presence, permanent homes, personal connections, or other connecting factors. Mobile workers can satisfy residence criteria in multiple jurisdictions or create factual disputes about their primary residence. Treaty tie-breaker provisions may resolve certain conflicts, but treaty access and interpretations differ across circumstances (C. Liu, 2024; Starkov, 2023).

Income characterization creates additional complexity. Employees, freelancers, and owners of location-independent businesses may encounter different rules governing employment income, independent business profits, withholding, and taxable presence. Physical work performed in a host country may carry tax consequences despite payments originating abroad. Immigration authorization, including digital nomad visas, does not itself determine tax residence or eliminate tax liabilities.

Compliance difficulties extend beyond substantive legal rules. Individuals may struggle to establish where working days occurred, track changing residence status, and determine eligibility for foreign tax credits or treaty relief. Employers may confront payroll reporting obligations and potential corporate tax exposure. Unclear responsibilities can generate double taxation, unintended noncompliance, and administrative burdens for taxpayers and authorities.

This study aims to evaluate how existing jurisdictional principles apply to internationally mobile remote workers and identify situations in which their application produces uncertainty. The investigation examines residence, source, income classification, and treaty allocation rules as interconnected components of cross-border taxation. Its purpose is legal clarification rather than estimating the prevalence of tax avoidance among digital nomads (Kim, 2023; Shabestari, 2025).

The research also seeks to compare the tax implications of different mobility patterns and professional arrangements. Short-term employees, itinerant freelancers, and entrepreneurs managing businesses remotely provide analytically distinct cases. Comparing these profiles across selected jurisdictions can reveal which problems stem from individual residence, which originate in income sourcing, and which concern an enterprise's taxable presence abroad.

A further objective is to assess policy responses capable of improving certainty, compliance, and equitable allocation of taxing rights. The analysis considers treaty interpretation, administrative guidance, documentation standards, and coordination between jurisdictions. Proposed responses must balance taxpayer mobility with host-country fiscal interests and avoid treating simplified visa procedures as substitutes for coherent tax legislation.

Existing scholarship has examined mobile workers through tax treaties and competing jurisdictional claims. Lipniewicz analyzes international taxation of digital nomads' employment income, while Jarzębowska explores treaty-shopping concerns and remote work arrangements. These contributions establish that cross-border nomad taxation is already a recognized legal problem; the present research cannot credibly claim that jurisdictional uncertainty has been overlooked altogether.

A narrower research gap concerns the combined treatment of multiple worker categories and their associated obligations. Analyses focused on employment income may not fully address independent contractors, entrepreneur-managed enterprises, and employer-side exposure within a single framework. Differences in employment status matter because treaty articles, domestic sourcing rules, and compliance duties may produce substantially different consequences (Alola, 2023; N. Liu, 2023).

Recent international guidance also changes the interpretive landscape. The OECD's 2025 commentary clarifies circumstances in which home-based cross-border working may constitute a permanent establishment, but does not settle every individual residence or income-allocation problem. Systematic analysis is needed in practice to distinguish questions addressed by this development from those requiring domestic reform, treaty coordination, or administrative clarification.

The proposed contribution is an integrated jurisdictional framework that maps residence, work location, income classification, and enterprise presence against different digital-nomad arrangements. Its originality would lie in explicitly connecting these legal dimensions and identifying where conflicting rules arise. Such a framework permits more precise comparison than approaches treating all mobile remote workers as one legally homogeneous group.

Methodologically, a comparative doctrinal analysis can examine domestic provisions, relevant bilateral treaties, and OECD interpretive materials through consistent hypothetical mobility scenarios. This design allows systematic identification of overlapping taxing rights and possible relief mechanisms without inventing empirical taxpayer outcomes or sacrificing transparency. Any claimed novelty must ultimately be demonstrated against existing comparative scholarship and applicable treaty developments (Blumers, 2025; Gallo, 2025).

The study is justified by practical demands for predictable taxation in a labor market increasingly detached from permanent workplaces. Clearer classification and coordination could assist mobile professionals, employers, tax administrations, and policymakers while supporting compliance and fiscal legitimacy. Its expected contribution is not a universal tax rule, but an evidence-based framework for evaluating jurisdictional choices across different legal systems.

RESEARCH METHOD

This study adopts a qualitative comparative doctrinal design to examine jurisdictional disputes arising when digital nomads perform remunerated work across national borders. Its central concern is the interaction between domestic tax residence, income sourcing, bilateral treaty allocation, and potential employer permanent establishment.

Research Design

Doctrinal analysis identifies applicable legal rules and interprets their consequences, while structured comparison evaluates differences between jurisdictions under equivalent factual circumstances. The study treats employee, independent contractor, and owner-manager arrangements separately because each engages distinct taxing provisions. The OECD Model Tax Convention and its 2025 commentary update provide interpretive reference points, not automatically binding law. Legal outcomes are assessed against actual domestic statutes and applicable bilateral treaties. The design does not measure taxpayer behavior or estimate revenue losses; it evaluates legal consistency, administrative predictability, and exposure to overlapping taxation (Frerick, 2024; Shehaj, 2025).

Population and Samples

The documentary population comprises domestic income tax legislation, bilateral double taxation agreements, official administrative guidance, and international interpretive materials relevant to mobile remote workers. A purposive sample focuses on Indonesia, Portugal, and Thailand as contrasting jurisdictions with identifiable connections to international remote working and publicly accessible tax rules. Their selection reflects analytical variation rather than statistical representativeness. Relevant bilateral treaties are included only where their contracting states match the hypothetical worker's actual residence and work locations. Documents must be authoritative, accessible, and effective within the specified analytical reference period ending September 2026. Superseded provisions are retained only where necessary to explain legal changes. The units of comparison are jurisdiction-scenario combinations rather than individual taxpayers. Three standardized profiles structure the assessment: an employee temporarily working abroad, an itinerant independent professional, and an entrepreneur directing an overseas business remotely. Each scenario specifies nationality, residence connections, working days, payment arrangements, and employer or enterprise location (Sokolovska, 2023; Yang, 2026).

Instruments

The principal instrument is a structured legal document review matrix developed to extract comparable provisions and record their sources. Categories include domestic residence tests, income classification, employment sourcing, business profit allocation, permanent establishment, withholding obligations, treaty relief, and dispute resolution. A companion scenario matrix records days of physical presence, habitual abode, permanent home, center of vital interests, contractual relationships, and places where services are performed. Each legal finding is accompanied by its statutory article, treaty provision, effective date, and interpretive status. The OECD Model's Articles 4, 5, 7, 15, and 23 provide an initial organizational scheme, subject to variations in operative bilateral agreements. Official legislation and treaty texts take priority over academic commentary and professional summaries. Instrument credibility is strengthened through transparent coding definitions, an audit trail, and independent rechecking of provisions where wording or translation is ambiguous. No questionnaire, psychometric scale, or respondent-based reliability coefficient is appropriate to this documentary design.

Procedures

The research begins by locating current statutes, consolidated treaty texts, official revenue authority instructions, and OECD materials through government and institutional repositories. Documents are screened for legal authority, applicability, effective dates, and relevance to each worker profile. Extracted provisions are entered into the review matrix and compared against the same standardized scenarios. The analysis first determines possible domestic tax residence and source-country liability, then examines treaty residence tie-breakers, distributive provisions, and available double taxation relief. Employer permanent establishment exposure is assessed separately from the individual's personal income taxation. The 2025 OECD commentary on cross-border home working is considered alongside the wording, context, and interpretive treatment of each applicable treaty. Scenario variations test shorter and longer stays, employee versus contractor status, and whether remote work serves a commercial business purpose (Huang, 2025; Sakolkiatkajorn, 2025).

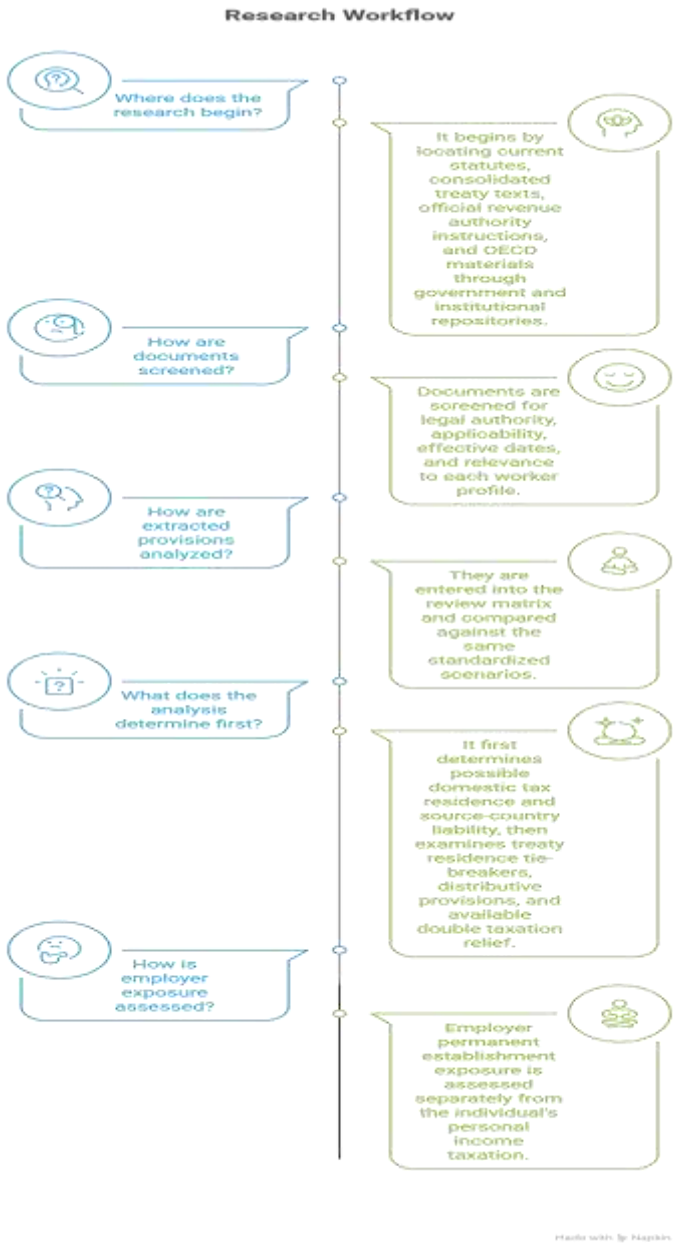


Figure 1. The research begins by locating current statutes, consolidated treaty texts

Comparative synthesis identifies rule conflicts, unresolved classifications, and administrative burdens, distinguishing clear legal outcomes from cases dependent on additional facts or official discretion. Findings are organized in a jurisdiction-by-scenario matrix and supported with pinpoint citations. Contradictions between official sources are recorded and evaluated according to legal hierarchy and chronology. Cross-checking against updated legislation reduces the risk of relying on obsolete visa or tax guidance. Interpretive limitations include differences in treaty networks, fact-sensitive residence determinations, and uneven publication of administrative practice. The final analysis proposes narrowly defined policy options, without implying that digital nomad visas confer tax exemptions or that OECD commentary overrides domestic legislation or treaty obligations. The study additionally differentiates legal obligations from enforcement practices, recognizing that administrative convenience, treaty eligibility, and documentary evidence can affect practical compliance even where substantive taxing rights appear relatively clear (Lin, 2024; Sakolkiatkajorn, 2025).

RESULTS AND DISCUSSION

The documentary examination identifies substantial similarities and important differences in individual tax residence requirements across the three jurisdictions. Indonesia generally recognizes individuals as domestic tax subjects when they reside in Indonesia, remain for more than 183 days within twelve months, or demonstrate an intention to reside under relevant statutory conditions. Portugal applies a presence threshold exceeding 183 days during a qualifying twelve-month period but may also establish residence through accommodation indicating habitual residence. Thailand generally recognizes tax residence when an individual stays for at least 180 days during a calendar year. These differences reveal that physical presence constitutes an important connecting factor, although its legal operation varies according to the measurement period and additional residence conditions.

Table 1. Comparative Individual Tax Residence Rules in Selected Jurisdictions

Jurisdiction	Physical presence criterion	Additional relevant consideration
Indonesia	More than 183 days within 12 months	Residence or intention to reside
Portugal	More than 183 days within a qualifying 12-month period	Accommodation indicating habitual residence
Thailand	At least 180 days in a calendar year	Source and remittance rules influence taxable income

The secondary legal evidence demonstrates that residence classification and income sourcing operate as separate determinants of tax liability. Portuguese tax residents generally face taxation on domestic and foreign income, whereas nonresidents are ordinarily liable on Portuguese-source income. Thailand taxes income arising from work or business activities performed domestically, regardless of where payment occurs. Its rules for foreign-source income additionally consider residence and remittance conditions, including the treatment of qualifying income earned from January 2024 onward. Indonesia similarly distinguishes domestic and foreign tax subjects, with different consequences for income coverage and treaty relief. The findings indicate that overseas employers and foreign bank accounts do not automatically establish foreign-source income or exemption from host-country taxation.

The differences in residence thresholds create jurisdictional uncertainty for individuals who travel frequently or maintain personal connections across multiple countries. A digital nomad spending approximately six months in one jurisdiction may fall below a physical presence threshold while satisfying another statutory residence condition, such as maintaining habitual accommodation or demonstrating an intention to reside. Calendar-year calculations may also generate different outcomes from rolling twelve-month tests when stays extend across two tax years. These distinctions demonstrate that identical travel patterns cannot be interpreted uniformly across tax systems. Accurate residence classification requires examining the timing of each stay, applicable statutory alternatives, and the supporting evidence rather than relying exclusively on a numerical day count.

The comparative evidence also reveals that immigration permission and tax residence represent distinct legal classifications. Authorization to reside temporarily or work remotely does not independently establish the location where income is taxable. Tax consequences depend on domestic legislation, the nature and location of activities, and applicable treaty provisions. A digital nomad may therefore possess valid immigration authorization while facing personal income taxation or reporting obligations in the host jurisdiction. Equally, temporary visitors may encounter source-based taxation without becoming tax residents. The findings demonstrate that immigration status cannot substitute for legal analysis of residence, income sourcing, and treaty eligibility. A coordinated assessment is necessary to determine the actual obligations created by cross-border working arrangements.

The examination of bilateral tax treaty provisions identifies a distinction between domestic taxing jurisdiction and internationally allocated taxing rights. The Indonesia–Portugal double taxation agreement, as modified by applicable multilateral provisions, illustrates this relationship. Its employment income provisions generally permit taxation in the jurisdiction where employment is physically exercised, subject to specific treaty exceptions. A short-term employment exemption depends on several cumulative requirements, including the duration of presence, the employer's residence, and whether remuneration is borne by a permanent establishment in the host state. The findings demonstrate that the commonly referenced 183-day treaty condition cannot be interpreted independently as a universal exemption. Its application depends on the actual treaty language and relevant employment circumstances.

The documentary classification identifies three categories of digital nomads with potentially different income tax consequences. Employees typically receive remuneration governed by employment income provisions, whereas independent professionals may be subject to domestic business income rules and treaty articles addressing business profits or independent services. Entrepreneurs operating foreign companies may additionally create questions concerning enterprise residence, business activities, and permanent establishment. These distinctions affect both the jurisdiction entitled to tax particular income and the documentation necessary to establish applicable treatment. A foreign payment source does not automatically determine the place where services are performed. The findings establish that professional status and the economic substance of activities are indispensable to jurisdictional analysis.

Table 2. Comparative Tax Issues by Digital Nomad Employment Arrangement

Worker category	Principal tax issue	Additional consideration
Remote employee	Employment income sourcing	Employer residence and treaty exemption
Independent freelancer	Professional or business income allocation	Applicable treaty provisions and business presence
Foreign company owner	Business profits and taxable presence	Permanent establishment and management activities
Mobile individual with several homes	Competing tax residence claims	Treaty residence tie-breaker
Remote worker using host-country accommodation	Potential employer business presence	Commercial purpose and home-office arrangements

The comparative legal inference indicates that tax residence thresholds do not establish exclusive taxing rights over all income earned during international mobility. An individual may remain resident in one jurisdiction while performing employment activities in another, creating simultaneous domestic claims over the same remuneration. The relevant treaty may restrict one jurisdiction's taxing rights or provide mechanisms for relieving double taxation. Determining the outcome requires a sequential examination of residence status, income classification, physical work location, and the applicable distributive provision. The legal findings therefore do not support an automatic exemption based on short-term presence. They instead establish that cross-border tax exposure depends on cumulative factual and legal conditions.

The inferential examination of employer-side taxation identifies the 2025 OECD commentary update as a significant interpretive development. The updated guidance explains that remote work conducted from an employee's foreign home does not automatically create a permanent establishment. Working from that location for less than half of total working time generally does not, by itself, establish the home as an enterprise's place of business. Longer or more intensive arrangements require consideration of commercial reasons and additional circumstances. These findings clarify employer exposure but do not eliminate individual income tax obligations. Their application also depends on the wording and interpretation of the relevant bilateral treaty.

The relationship between domestic law and bilateral treaties emerges as a central finding of the comparative analysis. Domestic legislation establishes the initial basis for residence classification and income taxation, while treaty provisions may restrict or allocate taxing rights between contracting states. The Indonesia–Portugal agreement demonstrates that employment income earned through cross-border activities may involve overlapping domestic claims, subject to treaty conditions. Its provisions also establish mechanisms for eliminating double taxation, including credit relief subject to applicable limitations. The findings indicate that establishing domestic tax residence represents only the first stage of the legal assessment. Accurate treatment requires examining the complete relationship between national legislation, treaty eligibility, income classification, and relief provisions.

The comparative examination identifies a further distinction between the physical location of income-generating activities and the subsequent movement of earnings across borders. Thailand provides a relevant example because its rules distinguish Thai-source income from qualifying foreign-source income. Employment or business income arising from activities

performed within Thailand can be taxable regardless of whether payment occurs domestically or abroad. Qualifying foreign-source income earned from January 2024 onward may become taxable upon remittance when the applicable residence conditions are satisfied. This relationship demonstrates that income remittance cannot replace a proper sourcing assessment. The legal consequences depend on the origin of income, residence status, relevant tax year, and potentially applicable treaty relief.

The first constructed scenario concerns an individual who remains an Indonesian tax resident and temporarily performs employment duties from Portugal for a foreign employer. The individual spends 120 days in Portugal, maintains primary residential and personal connections in Indonesia, and receives remuneration from an employer without a Portuguese permanent establishment. The analysis identifies potential Portuguese taxation of locally exercised employment under domestic sourcing rules, followed by consideration of the Indonesia–Portugal treaty. The treaty's short-term employment exemption may allocate exclusive taxation to the residence state when all specified conditions are satisfied. The scenario demonstrates that a stay below 183 days does not independently determine the outcome; employer residence, remuneration attribution, and treaty eligibility remain relevant.

The second constructed scenario examines an independent professional who spends 190 days in Thailand during a calendar year while providing online services to overseas customers. The extended stay satisfies Thailand's statutory presence condition for tax residence. The professional's income must nevertheless be classified according to where the underlying business activities are performed and whether particular receipts qualify as Thai-source or foreign-source income. Payments received from international customers do not automatically establish foreign sourcing. The scenario also requires examination of applicable treaty provisions, business arrangements, and foreign tax relief. The analysis demonstrates that remote professional activity can create substantive taxation issues even when customers, banking accounts, and digital payment platforms are located outside the host jurisdiction.

Table 3. Legal Outcomes in Two Constructed Digital Nomad Scenarios

Analytical element	Case A: Indonesia–Portugal	Case B: Thailand
Professional arrangement	Foreign-employed remote worker	Independent professional
Host-country presence	120 days	190 days
Residence implication	Portuguese day threshold not reached; other tests still relevant	Thai residence threshold reached
Income sourcing issue	Employment physically exercised in Portugal	Services physically performed in Thailand
Relevant relief or allocation	Employment treaty exemption, subject to conditions	Relevant treaty and foreign tax relief, if applicable
Legal interpretation	Conditional host-state exemption possible	Host-state tax exposure requires detailed assessment

The two scenarios demonstrate that differences in tax treatment arise from the interaction of professional classification, duration of presence, and applicable legal instruments. The Portuguese scenario concerns employment income potentially protected by a treaty-based

short-term exemption, while the Thai scenario involves independent professional activities and a residence threshold reached during the calendar year. The cases cannot be distinguished solely through the number of days spent abroad because treaty coverage and income classification materially affect the outcome. Employer relationships are particularly significant for employment income, whereas the organization and physical performance of business activities require greater attention for independent professionals. The evidence supports individualized legal assessment rather than standardized assumptions about digital nomad taxation.

The case evidence further indicates that reliable documentation is necessary to establish the facts supporting legal classifications. Travel records, residential arrangements, employment agreements, business contracts, invoices, and evidence of work locations may become relevant when determining residence and source-country taxation. Treaty-based exemptions or foreign tax credits may also require proof of residence, taxes paid, and the nature of the income concerned. The existence of relief mechanisms does not necessarily eliminate compliance burdens because taxpayers may need to satisfy reporting requirements in more than one jurisdiction. The findings suggest that administrative uncertainty can persist even where substantive treaty principles are relatively clear. Transparent documentation and coordinated tax administration therefore remain important to effective implementation.

The combined findings indicate that digital nomad taxation is principally complicated by the interaction of existing legal categories rather than the complete absence of applicable taxation rules. Indonesia, Portugal, and Thailand employ established residence and sourcing principles, but differences in measurement periods, statutory conditions, and income classifications produce distinct consequences for internationally mobile workers. Bilateral treaties may resolve certain conflicts, although their provisions remain dependent on specific employment arrangements and documented circumstances. The 2025 OECD commentary provides additional clarity concerning employer permanent establishment exposure without establishing universal rules for individual taxation. The results therefore demonstrate that jurisdictional uncertainty is concentrated at the intersection of personal residence, physical work location, treaty allocation, and enterprise activity.

The comparative interpretation supports an integrated framework for assessing the taxation of internationally mobile remote workers. A defensible legal analysis should begin with domestic residence tests, proceed to income classification and source determination, and then examine relevant treaty allocations and relief mechanisms. Employer permanent establishment questions require a distinct assessment that should not be confused with personal income tax liability. The constructed cases illustrate how standardized scenarios can expose differences between jurisdictions while preserving important factual distinctions. The findings provide a basis for improving legal clarity and administrative guidance but do not measure the prevalence of disputes, taxpayer compliance behavior, or government revenue losses. Future empirical research could complement this doctrinal analysis using documented taxpayer cases, administrative decisions, and cross-border compliance evidence.

The findings reveal that digital nomad taxation presents substantial jurisdictional challenges arising from differences in tax residence, income sourcing, and treaty-based allocation rules. The comparative examination of Indonesia, Portugal, and Thailand demonstrates that physical presence remains an important determinant of tax liability, although statutory thresholds and additional residence conditions vary. These differences generate

uncertainty for individuals performing professional activities across multiple jurisdictions (Kiymaz, 2024; Petkova, 2026).

The analysis identifies a distinction between immigration authorization and individual income tax obligations. Digital nomad visas and temporary residence arrangements facilitate international mobility but do not independently determine tax residence or eliminate income tax liabilities. The findings indicate that legal consequences depend on domestic legislation, employment classification, physical work location, and applicable treaty provisions rather than immigration status alone.

The comparative results demonstrate that employment arrangements significantly influence the allocation of international taxing rights. Employees, independent professionals, and entrepreneurs may encounter different legal obligations despite performing similar digital activities. The Indonesia–Portugal scenario illustrates the conditional application of employment income exemptions, while the Thailand scenario demonstrates the importance of distinguishing domestic-source income from qualifying foreign-source income (Dinesh, 2025; Lammers, 2024).

The findings also indicate that employer permanent establishment exposure constitutes a separate jurisdictional concern. The OECD's 2025 Model Tax Convention update clarifies the relevance of home-based remote working arrangements to determining a taxable business presence. The comparative evidence consequently supports an integrated approach combining individual tax residence, income classification, treaty allocation, and enterprise-related obligations without assuming identical consequences across worker categories.

The findings correspond with Chardonnet, (2023), who examined whether international tax rules adequately address employment income earned by digital nomads. His research highlighted tensions between traditional jurisdictional concepts and geographically flexible employment. The present analysis reinforces this concern by demonstrating that physical work location and residence remain legally significant despite the ability to provide services through digital infrastructure.

The comparative findings also relate to Zhang, (2025), who investigated cross-border remote working arrangements through tax treaties and potential treaty-shopping concerns. Her analysis emphasizes that international mobility may complicate the interpretation of existing taxation rules. The present study extends this discussion by distinguishing employment arrangements from independent professional activities and entrepreneur-managed businesses within a common comparative framework.

The findings concerning permanent establishment reflect the OECD's 2025 interpretive developments. The updated commentary clarifies that working remotely from a foreign home does not automatically establish a taxable business presence. The present analysis distinguishes this employer-side issue from individual income taxation, demonstrating that resolving permanent establishment uncertainty does not necessarily resolve residence conflicts, employment income allocation, or reporting requirements.

The comparison with existing scholarship suggests that international taxation frameworks retain considerable analytical relevance despite changing employment practices. Previous studies emphasize difficulties arising from geographically mobile work, while the current analysis identifies distinct legal questions requiring sequential assessment. The principal difference lies in integrating residence, source taxation, treaty relief, and enterprise exposure

rather than treating digital nomad taxation as a single jurisdictional problem (Gao, 2025; Li, 2024).

The findings signify a growing tension between territorial taxation principles and increasingly mobile forms of economic activity. Traditional tax systems connect jurisdictional authority with residence, physical presence, and identifiable business operations. Digital technologies permit professional services to cross borders without corresponding changes in employer location or payment infrastructure. This transformation creates interpretive challenges without necessarily rendering existing legal principles obsolete.

The differences among national residence requirements signify that international mobility can produce overlapping legal connections even when individuals maintain a relatively simple employment arrangement. Physical presence thresholds offer administratively observable criteria but cannot fully represent personal, economic, and residential relationships. The findings indicate that determining residence requires consideration of statutory alternatives, supporting evidence, and applicable treaty provisions rather than mechanical reliance on travel duration (Kang, 2024; xi, 2025).

The distinction between employees, freelancers, and entrepreneurs signifies that digital nomadism should not be treated as a legally homogeneous phenomenon. Similar working environments may conceal substantially different contractual relationships and business arrangements. These differences determine which income provisions apply and whether additional enterprise-level questions arise. The results consequently highlight the importance of legal characterization before evaluating international taxing rights.

The continued relevance of bilateral treaties signifies that existing international coordination mechanisms remain important for managing cross-border taxation. Treaty provisions may restrict overlapping claims and provide double taxation relief, although their effectiveness depends on eligibility and factual circumstances. The findings therefore suggest that jurisdictional complexity results partly from interactions among established legal rules rather than the complete absence of applicable regulation.

The theoretical implications concern the continuing relevance of residence and source principles within contemporary international taxation. Digital mobility challenges conventional assumptions about the relationship between employment and fixed workplaces. The findings demonstrate that jurisdictional allocation must distinguish economic activity from payment location and immigration permission. This distinction contributes to a more precise understanding of how territorial connections operate within digitally mediated employment relationships (Köppl, 2023; Zhan, 2025).

The practical implications for digital nomads involve the importance of planning and documenting cross-border activities. Individuals should maintain reliable records of physical presence, accommodation, employment arrangements, and locations where services are performed. These records may support tax residence assessments, treaty eligibility, and foreign tax relief. Financial mobility consequently requires administrative preparation alongside immigration and employment arrangements.

The implications for employers concern potential payroll obligations and corporate tax exposure associated with internationally mobile employees. Remote working arrangements may create compliance questions even when employers maintain no formal offices in the destination jurisdiction. The OECD's updated commentary offers useful interpretive guidance,

particularly concerning whether foreign home working reflects personal preference or a commercial reason for conducting enterprise activities locally.

The policy implications involve strengthening clarity, coordination, and accessibility within international tax administration. Governments could improve guidance concerning digital nomad arrangements, employment income sourcing, and documentation requirements. Clearer administrative procedures may reduce unintended noncompliance without weakening legitimate taxing rights. Effective policy responses should distinguish simplified immigration access from substantive tax obligations and recognize differences across employment categories (Hemels, 2023; Mikheev, 2023).

The jurisdictional uncertainties arise because national taxation systems developed around comparatively stable connections between individuals, employment, and geographical territory. Remote working separates these elements by allowing employees to perform services in jurisdictions different from those of their employers. Existing rules remain applicable, but their implementation requires more detailed factual analysis when professional activities move frequently across borders.

The differences in tax residence outcomes reflect variations in domestic legislative choices and administrative approaches. Indonesia, Portugal, and Thailand apply different physical presence calculations and additional conditions when identifying resident taxpayers. Portugal expressly recognizes accommodation indicating habitual residence, while Thailand applies a calendar-year presence threshold. These variations can generate different legal consequences from similar travel arrangements (Chikhaoui, 2026; Ponomareva, 2023).

The differing treatment of employment and independent professional income arises from the structure of international tax agreements. Treaty provisions allocate taxing rights according to income categories, contractual relationships, and relevant economic activities. Employees may qualify for conditional short-term employment exemptions, whereas independent professionals require separate consideration of applicable business income provisions. The resulting differences reflect legal classification rather than the technology used to deliver services.

The persistence of double taxation risks reflects the interaction of concurrent domestic taxing claims and conditional treaty relief. Multiple jurisdictions may identify sufficient connections to tax income earned during international mobility. Treaty provisions can alleviate these conflicts but may require residence certification, evidence of working arrangements, and proof of foreign taxation. Administrative burdens therefore persist even where substantive relief mechanisms exist (Imparato, 2025; Maherzi, 2023).

The findings indicate that future research should investigate digital nomad taxation through broader comparative analysis involving additional jurisdictions and treaty networks. Such investigations could examine differences in residence determinations, income classification, and relief mechanisms under changing mobility patterns. Research incorporating actual administrative decisions would provide stronger evidence concerning how legal uncertainty operates beyond hypothetical scenarios.

The methodological direction should involve combining doctrinal interpretation with empirical evidence concerning taxpayer experiences and administrative implementation. Interviews with internationally mobile professionals, employers, and tax advisers could identify recurring compliance difficulties. Documented disputes and anonymized administrative records may further reveal whether existing treaty provisions consistently

resolve overlapping tax claims or leave practical uncertainties unresolved (Sahoo, 2023; Yu, 2026).

The regulatory response should prioritize accessible guidance and improved cooperation between tax administrations. Standardized documentation of working days, income categories, and residence circumstances could facilitate more consistent assessments. Bilateral administrative coordination may also reduce uncertainty concerning treaty relief and employer obligations. Such improvements should preserve jurisdictional authority while reducing unnecessary compliance costs for legitimate cross-border professional activities (Dato, 2025; Reina-Martínez, 2023).

The overall findings support an integrated framework for evaluating digital nomad taxation through residence classification, income sourcing, treaty allocation, and enterprise exposure. The comparison illustrates that jurisdictional challenges arise from interactions among existing rules rather than a universal regulatory vacuum. Future reforms should pursue greater interpretive consistency, administrative transparency, and proportional compliance requirements while recognizing that different professional arrangements generate distinct legal consequences.

CONCLUSION

The principal finding is that digital nomad taxation is complicated less by missing legal rules than by interactions among established jurisdictional principles. Comparison of Indonesia, Portugal, and Thailand reveals differences in residence thresholds, qualifying conditions, and income sourcing that may produce overlapping tax obligations. Employment status further changes the analysis: employees, independent professionals, and business owners may be governed by distinct provisions despite performing similar remote work. The hypothetical cases demonstrate that spending fewer than 183 days in a country does not automatically confer a tax exemption, while receiving payment from abroad does not necessarily make income foreign sourced. The findings also distinguish individual income taxation from an employer's permanent establishment exposure. Tax consequences ultimately depend on factual connections, operative treaty language, and available relief mechanisms rather than digital nomad status alone.

The study contributes an integrated conceptual framework for evaluating remote work through four sequential questions: where an individual is tax resident, where income arises, how treaties allocate taxing rights, and whether activities create enterprise-level exposure. This framework provides a clearer analytical basis than treating digital nomads as a homogeneous taxpayer category. Its methodological contribution lies in standardized hypothetical scenarios and a comparative doctrinal matrix examining jurisdictions against consistent factual assumptions. The approach separates immigration authorization from tax liability and distinguishes short-term employment exemptions from domestic residence tests, reducing interpretive errors. It also situates OECD guidance on home-based remote work within the limits of domestic legislation and bilateral treaties. The synthesis offers practical value for mobile professionals, employers, advisers, and tax administrations seeking predictable compliance assessments without proposing a universal taxation rule.

The research is limited by its purposive selection of three jurisdictions, reliance on accessible legal materials, and use of constructed scenarios rather than observed disputes. Domestic rules and treaties may change, administrative interpretations may differ, and precise

outcomes depend on facts omitted from standardized examples. The analysis cannot quantify revenue losses, compliance costs, double taxation prevalence, or enforcement effectiveness. Future research should extend comparison to additional countries and treaty networks, examine administrative rulings and judicial decisions, and incorporate interviews or anonymized cases involving remote employees, freelancers, and entrepreneurs. Longitudinal analysis could assess how changing digital nomad visa programs, treaty interpretations, and reporting procedures affect legal certainty. Research should investigate employer payroll obligations and permanent establishment risks separately from personal income taxation. Such evidence could support proportionate reforms improving coordination, documentation, and guidance while preserving national taxing rights.

DECLARATION OF AI AND AI ASSISTED TECHNOLOGIES IN THE WRITING PROCESS

During the preparation of this manuscript, the author(s) used Google Gemini to assist inimproving grammar, language quality, and overall readability of the text. After using this tool, the author(s) Carefully reviewed and edited the content as necessary and take full responbility for the content of the publication.

AUTHOR CONTRIBUTIONS

Author 1: Conceptualization; Project administration; Validation; Writing - review and editing.
Author 2: Conceptualization; Data curation; In-vestigation.
Author 3: Data curation; Investigation.

DECLARATION OF COMPETING INTEREST

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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