Its complex. I see various possible solutions:

For mutual credit and self issued credit, if the denomination is a national currency, such as with the WIR and CHF or the new TEM (in greece) and the EUR, then tax owed on the trades is easy to calculate. Collection is another matter: but mutual credit and self issued credit systems can be completely transparent with full transaction records. The WIR system participants pay tax OK, in CHF equivalent. That probably puts a downwards pressure on the volume of trades in WIR. Ideally, national/state/municipal govns should charge tax in the exchange unit that the transactions are taking place, as this then provides a backing (i.e. the unit can be spent for taxes).

Economist and former central banker Bernard Lietaer has proposed a "boon" well local governments would issue their own fiat currency, which could then be used to pay taxes.

Different countries have different laws. For instance, in France, if your local non money-denominated income is for a trade thats not your main profession, then they do not need to be declared.

In Belgium, a professional services exchange systems between social entrepreneurs was dropped after a year, as their accountants said it needed to be declared, and the participants felt this was commodifying and bringing into the formal economy the favours that were being done for professional friends. If the government would have accepted the alternative unit as tax payment, then that would have helped. But we are a long way from that level of understanding and support from governments.

Its a complex area, which needs exploring as part of the development of strategies for scaling alternative exchange systems.

Is this the kind of exploration you would like to support/host/participate in?

On 15 September 2012 15:54, Jeffrey Epstein <jeevacation@gmail.com> wrote:

> i do not see how taxes are paid , in any of these systems so far. , in most of these structures , exchanges take place, and no one gets dollars or govt acceptnace scripts to pay the govt (fed local state) tax . solution?

On Fri, Sep 14, 2012 at 8:28 PM, Jem Bendell <[redacted]> wrote: