

supplying intermediary services instead of just digital content. This is not an arcane question, because *Roblox's* business model is one trend of the future for gaming, where massive multiplayer platforms offer software that allows users to code their own games and offer them to fellow users. The DST proposal seems to hold that the concept of intermediary services does not apply to multiplayer video games. However, it does not address specifically whether that remains true when users play games but also share content with each other.

Roblox has implemented a developer exchange program called DevEx allowing users to earn money by creating games on *Roblox*. Robux earned by a user's creation can be converted to real currency. The most popular games on *Roblox* can earn millions of dollars for their creators. Users signing up for the program provide their tax information on Forms W-9 or W-8. *Roblox* collects VAT where applicable, and provides designers in the United States with Forms 1099. These designers are taxed on the value they create in their own countries, as if their content is a third-party input — but this does not address value creation by millions of users not participating in the DevEx program.

None of that matters now in Chile. In March Chilean tax authorities imposed a 35 percent withholding tax on outbound payments related to video games. Most tax professionals in Chile viewed these as payments for the use of standard software, which is exempt from Chilean withholding tax. However, a ruling by the Chilean tax authority said that the standard software withholding tax exemption does not apply to payments sent overseas in relation to video games obtained from the internet either through subscriptions or microtransactions. In the tax authority's view, payments for video games were not for purposes of using software, but rather, as payments for entertainment and recreation, falling under the generic definition of services rendered abroad and subject to a 35 percent withholding tax. The ruling was not well received by the video game industry or by tax specialists, but it may be the most straightforward way to tax revenue from video games. ■

NEWS ANALYSIS

How Women Wove Tax and Suffrage Together

by William Hoke

This year marks the 100th anniversary of women securing the right — albeit at times limited — to vote in national elections in the United Kingdom, Canada, Ireland, and Germany. Suffrage movements were marked by claims of taxation without representation and, in some countries, active tax resistance.

U.K. women over 30 were first allowed to vote in February 1918, after a long and controversial campaign occasionally characterized by violence and the refusal to pay income and other taxes. While women used tax resistance in the United States as well, they didn't resort to violence. Elsewhere in the world, women were more likely to rally to the cry of “no taxation without representation” than to engage in civil disobedience to secure the right to vote.

Just as the tactics differed, so too did the terms used to describe those who took up the cause. While in the United Kingdom the word “suffragette” was used to refer to women who took a more militant approach, it was commonly employed on the other side of the Atlantic, where the campaign was a much tamer affair, to describe any woman who demanded the vote. The word “suffragist” refers to anyone, male or female, who advocated that women be given the right to vote.

U.K.: Mother Ship of Women's Suffrage

The history of the U.K. suffrage movement's tax resistance was recently highlighted in a presentation by Helen Thornley of the Association of Taxation Technicians. The earliest reference to tax cited by Thornley came in 1832, when Mary Smith, a wealthy widow in Yorkshire, unsuccessfully petitioned the government that she should be allowed to vote because she paid taxes.

Almost 40 years passed before sisters Anna Maria and Mary Priestman of Bristol apparently became the first suffragists to use the nonpayment of taxes as a means of protest. “With their Quaker background, [the Priestman sisters] didn't want to do militant action, but the idea of passive

resistance appealed and fitted with their kind of world view,” Thornley said in her presentation.

Instead of being given the right to vote, the Priestmans had their dining room furniture taken for auction, with the proceeds to be used to satisfy their tax liability. The sale, however, never took place because someone paid their back taxes before the auction. “So they said, ‘OK, we’ll try again next year,’” Thornley told her audience. “And they tried again next year and the same thing happened. So after that they stopped because they didn’t feel it was fair for this unknown person to pay for their taxes.”

In 1903 the Women’s Social and Political Union (WSPU) was established, setting the women’s suffrage movement in the United Kingdom on a more militant course. Six years later, tax resistance as a possible tool came under consideration after the prime minister, David Lloyd George, sent his ministers out to promote a budget that had floundered in the House of Lords because it included hefty tax increases. “All these ministers were pursued by suffragettes howling them down,” said Thornley. “And so, suddenly, this was the moment on which to take the stand.”

In October 1909, 24 women formed the Women’s Tax Resistance League (WTRL). Ethel Ayres Purdie, the United Kingdom’s first female licensed accountant, served as advisor. Purdie had started her career at the telegraph office, where employees were required to contribute towards their pensions. Women “had to leave their post when they got married and they never got the pension, and she thought this was unreasonable,” Thornley said.

While the idea of taxation without representation has echoed through the centuries, intelligent and capable women in the United Kingdom and elsewhere were especially angered by statutory language that lumped them together with those incapable of managing their own legal affairs. For example, the United Kingdom’s Income Tax Act 1842 — still on the books when the WTRL was formed — stated:

41. And be it enacted, that the trustee, guardian, tutor, curator, or committee of *any person being an infant or married woman, lunatic, idiot, or insane*, and having the direction, control, or management of the property of such infant, married woman,

lunatic, idiot, or insane person, whether such infant, married woman, lunatic, idiot, or insane person shall reside in Great Britain or not, shall be chargeable to the said duties in like manner and to the same amount as would be charged if such infant were of full age, or such married woman were sole, or such lunatic, idiot, or insane person were capable of acting for himself. [Emphasis added.]

Mary S. Anthony, the sister of famed suffragette Susan B. Anthony, encountered similar logic in the United States when she refused to pay her county tax in 1901 because she was denied the right to vote. *The Herald News of Perry*, New York, editorialized:

To Miss Anthony’s plea it is objected, somewhat lamely, that the property of minors, aliens, and idiots is taxed, although they are not voters. Minors, aliens, idiots, and insane persons were taxed without representation in 1776, but that did not seem to our forefathers a sufficient reason why sane adults should be taxed in the same way, and they fought the war of the Revolution upon that argument. It is not likely that Miss Anthony will get a favorable decision in the courts, but every such incident educates the public and hastens the day of equal rights for women.

The WTRL’s Purdie took exception to the provision in the Income Tax Act 1842 that deemed the self-employment income of a woman to have been earned by her husband, who was responsible for paying her tax. Thornley said that in the 1870s and 1880s, Parliament passed a series of acts allowing married women to keep their own income, retain prenuptial assets, and inherit property. “There was . . . this clash then between the Income Tax Act that had never been changed and the new later rights that women have through these married women’s property acts,” Thornley said. “This was the kind [of law] that Ethel Ayres Purdie would go to town on.”

One of Purdie’s clients had six children and was separated from her husband but couldn’t divorce because of the cost. The woman had a small income from shareholdings, from which tax

was deducted at source. “Now, she by right . . . would have been entitled to that tax back because of the level of her income, but she couldn’t claim it,” Thornley said. “The claim had to be done by her husband. Even though she was separated, her husband claimed back her tax and kept it every year while she brought up the children.”

Elizabeth Wilks, a WTRL founder, earned more than her school teacher husband. “Ethel would have pointed out to her [that], according to section 42 of the Income Tax Act 1842, those amounts should go to your husband because you’re not the taxable” person, Thornley said. “All your income is deemed to be his.”

When tax authorities tried to collect from Mark Wilks, Elizabeth’s husband, he replied that he couldn’t pay because he had no right to inquire how much income his wife earned. In response to the determination that he owed £37 on Elizabeth’s income, Mark said he didn’t make enough income as a teacher to pay. The day he was arrested, the WTRL sent out 600 letters protesting the detention. “He was in jail for a bill that he couldn’t pay for income that he couldn’t control,” Thornley said. “After two weeks, they released him. As is often the case . . . the authorities were stuck as how to deal with it, so [the Wilkses] were left in peace.”

Thornley also related the story of Alice Burns, a medical doctor who moved from New Zealand to the United Kingdom, leaving her husband behind. Burns argued that she didn’t have to pay tax on her income because it was deemed to be her husband’s; Inland Revenue rejected that claim on the grounds that it could only assess the couple as a unit if they were living together. “And Ethel Ayres Purdie proved that while they were continents apart, they were living together in the sense that she was still a married woman,” Thornley said. “They had correspondence that obviously proved that they still wished to be married to each other. There was no intention for separation, so she wasn’t a single woman [and] she couldn’t be assessed separately. And, again . . . tax was lost to Inland Revenue’s coffers because they couldn’t assess Dr. Burns and they couldn’t reach her husband in New Zealand.”

While the United Kingdom served as something of a mother ship for suffrage movements in (then) current and former colonies,

there was at least one immigrant from the empire who helped shape events in the United Kingdom. Sophia Duleep Singh was both the daughter of an exiled maharaja from India and the goddaughter of Queen Victoria. In taking up the cause of women’s suffrage, Singh refused to pay taxes and fees. In response, bailiffs seized her property, including a diamond ring, for sale at auction. Members of the WTRL went to the auctions, bought back Singh’s property, and returned it to her.

The WTRL would also send representatives to tax auctions to explain why women were resisting paying taxes, Thornley said in her presentation. “That way, they reached a completely different audience of people who wouldn’t otherwise be attending a suffrage event,” Thornley said.

Because the costs of having a tax delinquent’s goods distrained were added to the taxpayer’s bill, the WTRL offered advice on minimizing the amount due. “The league used to recommend that you have silver plate or jewelry taken because at least that way you didn’t have to pay the cost of carriage on top,” Thornley said.

Thornley said one woman, Mrs. Harvey, barricaded her house for eight months before the bailiff managed to break in. “Technically, the bailiffs weren’t allowed to break in and the sieges were lifted on a Sunday,” Thornley said in her talk. “So you could besiege yourself from Monday to Saturday and then you could nip out for what you needed on Sunday.”

The U.K. activities of the largely suffragist WTRL were mild compared with those of the suffragettes. The latter eschewed tax resistance and often resorted to violence to achieve their goal. They would pour corrosive liquids into mailboxes or set their contents on fire. Other tactics included breaking shop windows with hammers, cutting phone and telegraph wires, and burning places frequented by wealthy men, such as unoccupied buildings on cricket grounds, golf courses, and horse racing tracks. A bomb was set off at a house of Lloyd George in 1913, causing significant damage. Other bombs were detonated at banks, train stations, and churches, including Westminster Abbey. Theresa Garnett attacked Winston Churchill, then a cabinet member, with a horsewhip, but failed to injure the future prime minister.

Approximately 1,000 suffragettes were jailed in the United Kingdom, either for violations of public order or failure to pay fines. When some imprisoned suffragettes took to hunger strikes, the government responded with force-feedings out of fear of creating martyrs. For her attack on Churchill, Garnett was sent to jail, where she tried to set her cell on fire and was force-fed after refusing to eat. The WSPU later awarded her a brooch for her resistance and a medal of honor for the hunger strike.

Suffragette pressure was suspended with the outbreak of World War I. Janna Thompson, a professor of philosophy at La Trobe University in Australia who has written extensively on feminism and justice, in a 2016 article said that Parliament's decision to give propertied women over 30 the right to vote in 1918 was in recognition of the contributions women made to the war effort. Another 10 years passed before the franchise was extended to those over 21.

Thompson said historians are divided over whether militancy helped or hurt the cause, and which activities played a larger role in securing the right to vote.

"The women's contribution to the war effort challenged the notion of women's physical and mental inferiority and made it more difficult to maintain that women were, both by constitution and temperament, unfit to vote," said American historian Leslie Hume in *The National Union of Women's Suffrage Societies 1897-1914*. "If women could work in munitions factories, it seemed both ungrateful and illogical to deny them a place in the polling booth. But the vote was much more than simply a reward for war work; the point was that women's participation in the war helped to dispel the fears that surrounded women's entry into the public arena."

Thompson notes that the official justification for giving U.K. women the vote doesn't exclude the likelihood that many members of Parliament acted out of fear that suffragette militancy might resume.

American Approach Less Confrontational

While the struggle to secure the right to vote for women in the United States was carried on contemporaneously with the campaign in the United Kingdom, the U.S. movement tended to be

less confrontational. That's not to say, however, that U.S. suffragettes always followed the letter of the law.

The *New York Daily Tribune* reported on an early act of civil disobedience when, in 1863, a resident of the town of Wallkill, New York, refused to pay her tax bill:

Mrs. Dr. Lydia Hasbrouck, being unrepresented, refuses to pay taxes at Wallkill. She was ordered to appear on the high road with a shovel to work out the amount, and did so, bearing a fire shovel, greatly to the wrath of the authorities, between whom and herself there consequently exists a terrible disturbance.

In 1864 the *Courier and Union* of Syracuse, New York, poked fun at a suffragette by describing her as a "strong-minded woman," who wore "masculine boots . . . and, strange to say, carried in her arms a baby." The unnamed woman, who was further described as an abolitionist and "a free lover, as such folks are," refused to pay taxes because taxation without representation was an outrage against civil liberty. The tax collector seized the woman's property, which she owned independently of her husband.

Ten years later, Sarah E. Wall complained to the *Worcester Gazette* that her tax dollars were being taken to pay government officials she had no right to elect. "The idea of the city of Worcester and the state of Massachusetts leaguering to take from me the little I possess, by the right arm of the law, to pay the salaries of men who are fattening on the spoils of the government, in whoso fitness or unfitness I can have no voice, has always struck me as exceedingly funny; more funny for me than for the city of Worcester," Wall said.

In a paper that appeared in the *Tennessee Journal of Race, Gender, & Social Justice* in 2013, Jessica Hynes, a professor of legal studies at Quinnipiac University, told the story of Julia and Abby Smith, two elderly and wealthy sisters who lived in Connecticut and first engaged in tax resistance in 1869. Five years later, seven of their eight cows were seized and put up for auction to satisfy the delinquent taxes. Their tenant placed the highest bid and returned the herd to its previous owners.

Later in 1874, the tax collector returned to say that he would attach the Smiths' land and put it

up for auction. Despite their protests that the law required that personal property be seized first to satisfy back tax debts, their land was auctioned off anyway for approximately half its market value. The sisters appealed and, in 1880, prevailed when the state supreme court ruled that the tax collector had improperly seized their real estate before moving against their personal property. The court “avoided altogether comment on the representation issue for which the Smiths had waged their seven-year battle,” Hynes said. “They won neither reprieve from paying their taxes nor the vote.”

Hynes wrote that the Smiths’ case addressed two reasons frequently used to justify denying women the right to vote. The first was that women didn’t need the vote because they were effectively represented in the political sphere by male heads of household. The second was that giving women a role in electoral politics would violate gender norms and have a detrimental impact on marriage and the family.

Shirley Tillotson, a professor at Dalhousie University in Nova Scotia whose interests include socio-political issues, taxation, and women’s history, said that even though the Smiths eventually had to pay their tax bills and didn’t secure the right to vote, their protests were not in vain. “Their action was a great platform for the movement,” she said. “These suffragist tax withholders made their point, but scholars have not found that their tactic resulted in a broader, organized strategy.”

Susan B. Anthony was one of the early leaders of the campaign for women’s voting rights in the United States. According to the *Daily Standard* of Syracuse, New York, Anthony addressed the National Women’s Rights Convention in 1852, telling her audience that it was the duty of women of property to refuse to pay their taxes if they were not represented in legislative bodies. “She advised women [that] when the tax-gatherers came, to refuse, and if brought to justice, to reply that taxation and representation are inseparable, and keep saying so in reply to every question they asked,” the newspaper reported.

Shortly after Anthony registered and voted in the 1872 elections, she was arrested for violating the Civil Rights Act of 1870. In her trial, the court refused to consider Anthony’s right to vote,

whether she had the right to a jury of her peers, or whether she was subject to tax if she was not represented in Congress.

In her 2014 doctoral thesis, Stephanie Anne McIntyre of the University of Texas at Arlington said the U.S. Supreme Court had classified women as nonvoting citizens in the *Dred Scott* decision (*Dred Scott v. Sandford*, 60 U.S. (19 How.) 393, 15 L. Ed. 691 (1857)) and held that the terms “people of the United States” and “citizens” were synonymous. “Borrowing an argument from the English militant reformers, Anthony argued that if the use of references in the law to men by nouns and pronouns meant men only, then women were not subject to those laws, in particular the laws governing taxation,” McIntyre said. “Finally, Anthony pointed out that the very law being used against her in the court, the Civil Rights Act of 1870, used only male nouns and pronouns. Therefore, either the law guaranteed her the right to vote or she should not be subject to the law because she was female.” The charges against Anthony were subsequently dropped.

In 1901 Anthony told the *Rochester Democrat and Chronicle*, a New York newspaper, that while she had not claimed that taxation without representation was unconstitutional, there had never been any question that representation was a correlative right of taxation. “It is the basic principle upon which our government was founded,” she said. “It was the battle cry of our forefathers and a principle of government which has been handed down to us from the revolutionary period.”

In 1914 Anna Howard Shaw, the president of the National American Woman Suffrage Association (NAWSA), refused to list her property for taxation. “She declares that thus she intends to prove the impotency of women’s position under existing laws,” wrote the *Hudson Evening Register* in its “Women’s Doings” section. “She will be assessed by a man she had no voice in choosing, punished by a judge she didn’t choose, and will lose her estate at the hands of a sheriff she never helped select but must help to pay. She refuses to pay her income tax also for the same reason, and when asked to fill out a blank stating the amount of her income and from what source it was derived, wrote instead on the official sheet her declaration of principles: that taxation without representation is tyranny.”

Carrie Chapman Catt, another NAWSA president, was allowed to address Congress in November 1917 as part of an effort to pass the 19th Amendment. “Surely men of the land of George Washington will not require a longer time than those of the land of George the Third to discover that taxation without representation is tyranny no matter whether it be men or women who are taxed,” she said. “We may justly expect American men to be as willing to grant to the women of the United States as generous consideration as those of Great Britain have done.” (While the Representation of the People Act giving women over 30 in the United Kingdom the right to vote didn’t receive royal assent until February 1918, it was passed by the House of Commons in June 1917.)

Chapman Catt also invoked the 16th Amendment, adopted in 1913 to allow a federal income tax, in her plea to Congress. “For the first time in our history Congress has imposed a direct tax upon women and has thus deliberately violated the most fundamental and sacred principle of our government, since it offers no compensating ‘representation’ for the tax it imposes,” she said.

The United States had entered World War I seven months before Chapman Catt’s speech. She told Congress that her group would not protest the income tax. “Women realize the dire need of huge government resources at this time and will make no protest against the tax, but it must be understood, and understood clearly, that the protest is there just the same and that women income taxpayers, with few exceptions, harbor a genuine grievance against the government of the United States,” she said. “The national government is guilty of the violation of the principle that the tax and the vote are inseparable; it alone can make amends. Two ways are open: exempt the women from the income tax or grant them the vote — there can be no compromise.”

Chapman Catt told Congress that the piecemeal approach of giving women the vote state by state would take too long. While in 1869 the territories of Wyoming and Utah were the first to enfranchise women, the right was not extended to all U.S. women until the 19th Amendment was ratified in 1920.

Canada: Direct Taxation a Local Phenomenon

Joan Sangster, a professor of gender and women’s studies at Trent University in Canada, said tax resistance was not part of a concerted strategy in the Canadian effort to secure voting rights for women. But, she said, “Canadian women did make the argument — often — that those who pay taxes should have a vote, a say in governance.”

Tillotson said Canadian suffragists partly argued their case on taxation-without-representation grounds. “But there was not a nice, tightly focused equivalent to the [United Kingdom’s] Women’s Tax Resistance League in Canada, mostly because, during the peak of suffrage militancy direct taxation in Canada was a local phenomenon, not a national one,” she said. “In the U.S., as in Canada, national income taxation was not in force during most of the years of the women’s suffrage campaign, so the tactic of coordinating a national campaign to confront the income tax collector was not open to them as it was to British suffragists. In fairly decentralized federations like Canada and the U.S., national strategies are fraught with difficulty anyway.”

Tillotson said there was an emphasis in the United States on lawsuits claiming that taxpayer status was the basis for the right to vote. “That tactic was eventually sidelined after courts found against the suffragists,” she said. “But in Canada, as in the U.S., the argument that taxpaying, not sex, was the proper qualification for the vote continued to be used.”

The Antipodes: Early Adopters

New Zealand granted women the nationwide right to vote in 1893. Australia, another self-governing British colony, followed suit two years later. Thompson told Tax Analysts that Australia was comparatively early in enfranchising women. “But [while] this did not happen without a struggle, I have not heard of women’s rights campaigners in Australia linking taxation with suffrage,” she said.

Thornley said that Australia’s relatively early embrace of female suffrage might have helped the country avoid some of the civil disobedience that was experienced in other parts of the English-speaking world. “Women in New Zealand and

Australia obtained the vote a lot earlier than their English/U.S. cousins, which may have reduced the need for [a tax resistance] campaign," Thornley said.

While the movement to achieve the vote for women in Australia might not have involved passive tax resistance, it sometimes encountered less-than-genteel reactions from its opponents. In *Woman Suffrage in Australia* (p. 120), author Audrey Oldfield offers a legislator's comments to the state parliament in response to an 1894 proposal to grant women the right to vote in Queensland:

I find that the only women in favor . . . are . . . the ugly women and the plain women. The fair . . . and the beautiful are either indifferent to the proposed extension of the franchise or opposed to it. . . . If there is a good-looking man, he will get their votes irrespective of politics.

Indian Movement: Political and Anti-Colonial

Geraldine Forbes, a professor of history at the State University of New York at Oswego, said that while Singh moved to the United Kingdom from India, she played no role in the in the women's suffrage movement in India. "The Indian movement was political, anti-colonial, and essentialist in its presentation of women as wives and mothers who were not in competition with men," said Forbes.

Forbes said that in British India as well as other British Asian and African colonies, tax revenue came primarily from agricultural property in which women had little, if any, stake. Where women did own property, it was mostly in urban areas. "One of the big issues for 'respectable' Indian women was that many of the women owning urban property were prostitutes," Forbes said in an email. "When Indian women struggle[d] with this issue, they suggested that an educational level be the requirement rather than property for women. Later, they worried about respectable women standing in line behind

prostitutes to vote, so not only did they want separate polling booths for women, one suggested two polling booths for women: one for respectable [women], the other for prostitutes."

Scandinavia and Switzerland

In parts of Scandinavia, female suffrage was at first tied to paying taxes. Unmarried Swedish women who paid taxes were able to vote in municipal elections starting in 1862, with the franchise extended to married women in 1906. In 1921 all Swedes over the age of 23 were given the right to vote.

The campaign for the female vote in Norway was spearheaded by Gina Krog, who had traveled to the United Kingdom, where she was influenced by women involved in the women's suffrage movement there. Her efforts helped achieve legislation in 1901 granting the right to vote in local elections to rural women who had at least NOK 300 of annual income and to their urban sisters who took in at least NOK 400. A woman whose husband earned equivalent amounts was also able to vote.

Krog's struggle to secure universal suffrage for women in Norway went on for another 12 years. When Parliament rejected a proposal to grant the vote to all women in 1904, she said that the then-current system was discriminatory on both gender and income grounds. "When all women above the fixed taxation limit and all men, whether above or below the fixed limit, are given the right to vote, it seems an attempt to construct a pariah caste consisting of the poorest women in the country," Krog said.

Switzerland was a laggard among the more developed European countries. Despite a demand in 1887 by Meta von Salis, a Swiss suffragette, that women be given the right to vote because they paid taxes, it would take another 84 years before they received the franchise at the national level in 1971. The canton of Appenzell Innerrhoden held out until 1991, when it finally allowed women to vote in local elections. ■