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MLA Legal Update

Taxation of Digital Content Income - What Influencers Need to Know

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I. Introduction

For a long time, digital content creation has been something of a de facto tax haven. Creators could earn from ads, sponsorships, or subscriptions, and much of it flew under the radar. While income is, in principle, taxable, previous tax laws did not expressly recognize earnings generated through digital content creation.

As a content creator, you might already have heard recent discussions around taxing income earned through digital platforms. This update walks you through what qualifies as digital income, the applicable tax rates, how the tax may be paid, and a few key points you should be aware of.

II. What Counts as Digital Content Income

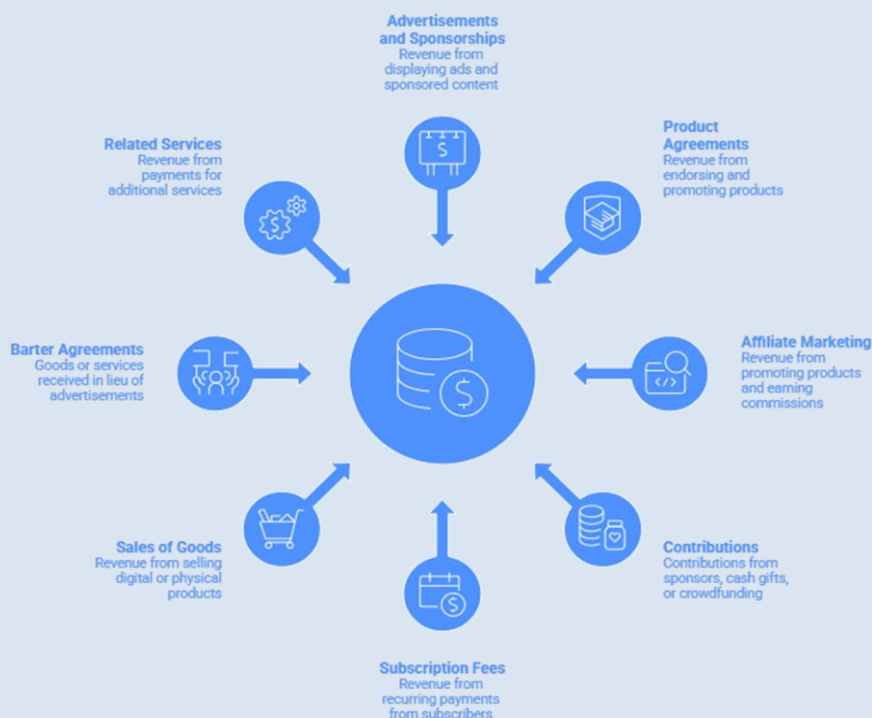
If you collaborate with a brand on a post, the law now treats that as advertising or sponsorship income. Sign a brand deal and receive payment, whether in cash or even in the form of a free “give-away” product, in exchange for a shout-out, that may count as affiliate marketing, brand agreements, or payment in kind.

If your followers subscribe for exclusive content or contribute to a crowdfunding campaign, those are treated as subscription fees and crowdfunding income. If you sell your own merchandise, digital guides, or even T-shirts, those are considered sales of digital or physical goods.

All of these now fall under the legal category of “income from digital content creation.”

In simple terms, if you are making money, or receiving anything of value, because of your digital content, the tax authority could recognize that as taxable income.

Content Creator Revenue Streams



III. Applicability of Tax

Whether content creation is your side hustle or your full-time business, the income now falls within the tax system. The applicable tax rate depends largely on how much you earn and how regularly you engage in content creation.

If you are regularly creating content with the intention of making a profit, your activity will be treated as business income.

Content Creation Classified as Business Income

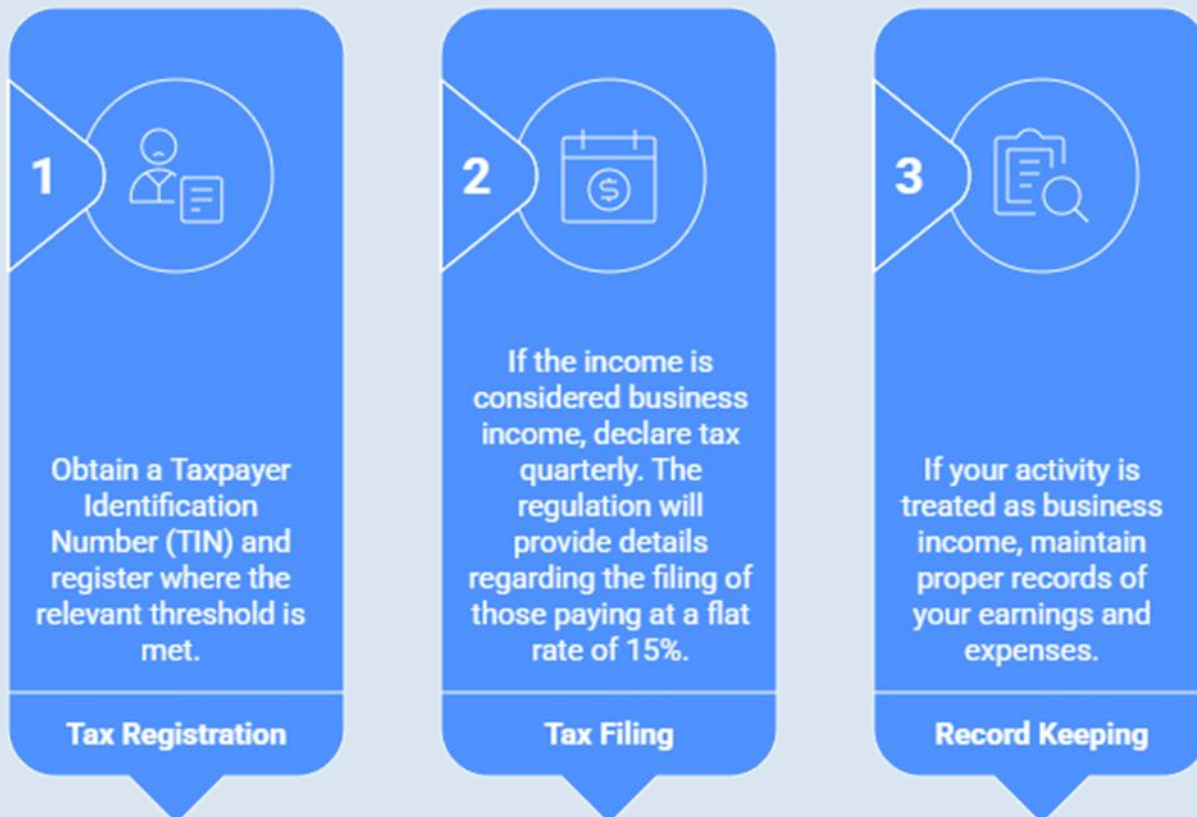


If the above conditions are not met, the activity will not be treated as a business income. However, the income will still not be tax-free. In such cases, the earnings will be categorized as “other income” category, which is taxed at a flat rate of 15%.

IV. Applicability of Tax

When you earn income from digital platforms you now have certain tax obligations.

Digital Platform Income Tax Obligations



The good news is that business-related expenses may be deductible. This could include things like internet costs, space leased for shooting, equipment used for content creation, and other related expenses, which may help reduce your overall tax exposure.

A Draft Income Tax Regulation has recently been prepared and circulated. It sets out the obligations of digital content creators, including the minimum threshold for tax applicability, filing periods, record keeping, and the types of benefits recognized as income. The Draft specifies that the place where the bank account of the digital content creator is set up will not affect tax determination. It also requires digital content platforms to disclose relevant information to the tax authority.

Though further details on the implementation of these provisions are expected through regulations and directives, which are yet to be issued, tax obligation on content creation applies on all income that was derived as of July 8, 2025.



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