



**European Movement
Mouvement Européen**

European Tax Policy and EU Own Resources: Two sides of the same coin

A real European budget

The European Movement International believes that the system of own resources for the European Union budget is in need of a considerable reform. An increase in the share of own resources for the EU budget would allow the Union to show more flexibility in shaping and implementing its policies and would create a clear connection between the EU's goals and its budget. We need to **europeanize the EU budget** through a **better European Tax Policy**.

Rethinking the European Tax Policy

The introduction of taxes at the European level should aim at **generating own resources** but at the same time avoid increasing the general tax burden on citizens. A **Financial Transaction Tax (FTT)** would combine a substantial financial contribution to the EU budget with fiscal fairness, ensuring that financial institutions contribute to mitigate the damages caused by the financial crisis. Generating considerable new resources, it would at the same time offer great potential for growth-enhancing public spending. As a second option, tax models like a **carbon tax** aimed at the taxation of activities polluting the environment could be envisaged, thus following the polluter-pays principle.

Next to own resources, we need the harmonisation of taxes. The introduction of a **Common Consolidated Corporate Tax Base** across the EU would help reduce administrative costs and thus improve growth as well as lead to the creation of jobs.

As a complement, it is time to step up the **battle against tax evasion** within and outside the EU. In this context, the Member States must focus on improving their tax administrations and ensure that controls and sanctions are sufficient to deter this kind of activity. Best practices need to be shared between Member States and the coordination at EU level needs to be improved to ensure that aggressive tax planners can't exploit loopholes between Member States' systems..

The Road Ahead

In order to achieve quick results, the aim must be to start a reform of European Tax Policy immediately, under the existing treaties. On the long run, the appropriate platform should be a new **Convention "European Economic and Fiscal Union"** with the participation of all parliaments, national and European, governments and the European Commission.

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