

## Statement by the Committee on Taxation 2020/21:SkU15

# Examination of the Communication on an Action Plan for Fair and Simple Taxation Supporting the Recovery Strategy

## Summary

The Committee has examined the Communication from the Commission on an Action Plan for Fair and Simple Taxation Supporting the Recovery Strategy and proposes that the Riksdag file the Committee's Statement. In the Communication, the Commission proposes an action plan consisting of 25 initiatives to be implemented during the period 2020–2023. The purpose of the action plan is to make taxation fairer, simpler and better adapted to modern technology. The action plan also shows that the Commission intends to examine whether it may be possible to adopt legislative acts on taxation by qualified majority in accordance with the ordinary legislative procedure.

The Committee limits its Statement to the Commission's intention to examine whether legislative acts in the field of taxation may be adopted by qualified majority in accordance with the ordinary legislative procedure, and the Committee intends to return to the other initiatives when more concrete proposals have been presented by the Commission.

In the Statement, the Committee nevertheless welcomes the Commission's action plan for fair and simple taxation at a general level. The Committee is positive to the Commission's initiative to simplify the rules, reduce the administrative burden and increase compliance with the rules. The Committee further considers that fighting tax evasion, tax avoidance and harmful tax competition is an important political priority which directly affects the functioning of the internal market.

The Committee is sharply critical of, and does not support, the Commission's intention to explore a shift from unanimous decision making to qualified majority decisions in tax matters. In the opinion of the Committee, the changes to the decision-making procedures would mean a transfer of power in a key area for all the member states from the national to the EU level.

In the statement, the Committee stresses that ensuring social welfare and competitiveness by taking decisions about levying taxes and using tax revenues in an appropriate way should continue to fall within the national competence of each member state. The Committee stresses that national

sovereignty in tax policy matters is of decisive importance to Sweden's competitiveness and the financing of the welfare system.

The Statement contains one explanatory reservation from the Liberal Party.

*The examined document*

Communication from the Commission on an Action Plan for Fair and Simple Taxation Supporting the Recovery Strategy COM(2020)312.

**The position of the Committee**

In the Communication from the Commission on an Action Plan for Fair and Simple Taxation Supporting the Recovery Strategy, the Commission presents an action plan consisting of 25 initiatives to be implemented during the period 2020–2023. The purpose of the action plan, according to the Commission, is to make taxation fairer, simpler and better adapted to modern technology. According to the Commission, the action plan will, inter alia, contribute to reducing the administrative burden for companies and improving member states' opportunities to prevent tax evasion and tax avoidance. The action plan also shows that the Commission intends to examine whether it may be possible to adopt legislative acts on taxation by qualified majority in accordance with the ordinary legislative procedure.

The Committee welcomes the Commission's action plan for fair and simple taxation at a general level. It is positive to the Commission's initiative to simplify the rules, reduce the administrative burden and increase compliance with the rules. In the opinion of the Committee, it is important that management and administration of rules in the field of taxation are simple for companies. The Committee further considers that fighting tax evasion, tax avoidance and harmful tax competition is an important political priority, which directly affects the functioning of the internal market.

The Committee will limit its Statement to the Commission's intention to examine whether legislative acts in the field of taxation may be adopted by qualified majority in accordance with the ordinary legislation procedure, and the Committee intends to return to the other initiatives when more concrete proposals have been presented by the Commission.

First, the Committee notes that the possibility for member states to introduce and maintain national tax regulations is a highly important principle that must be safeguarded. As previously pointed out by the Committee in connection with the subject of a shift from unanimous decision-making to qualified majority voting in tax policy decisions, ensuring welfare and competitiveness by taking decisions about levying taxes and using tax revenues in an appropriate way should continue to fall within the national competence of each member state. The Committee stresses that national sovereignty in tax policy matters is of decisive importance to Sweden's competitiveness and the financing of the welfare system.