



EUROPEAN COMMISSION

*Brussels, 4.1.2021  
C(2021) 40 final*

*Dear Speaker,*

*The Commission would like to thank the Riksdag for its Opinion on the Communication on an action plan for fair and simple taxation supporting the recovery strategy {COM(2020) 312 final}.*

*The COVID crisis and its impact on public finances compound the need for Member States to secure, at national level, tax revenues in a smart, fair and sustainable manner. Intensifying our fight against tax fraud, evasion and avoidance is one of the most obvious ways to achieve this, without imposing undue burdens on those hit by the crisis. Just as importantly, EU tax policy must also create the right conditions for growth, investment and job creation, while supporting the green and digital transitions. The COVID crisis has put unprecedented strains on businesses, citizens and tax administrations. Tax policy should serve to alleviate these difficulties, rather than exacerbate them. For taxation to deliver on its full potential, we need to make substantial improvements, so that the tax framework better serves our tax administrations, our businesses and our citizens.*

*The Commission counts on the support of national Parliaments to continue to engage in debate on these important issues and to help it push for initiatives to be turned into concrete actions to the ultimate benefit of our citizens, businesses and economies in the years to come. To that end, it very much welcomes that the Riksdag 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 Commission is aware that national sovereignty in taxation matters is a sensitive topic across Member States. However, the current legislative procedure can make the adoption of tax proposals difficult and lengthy. That is why, in 2019, the Commission launched a debate on how to reform decision-making through the progressive and targeted use of qualified majority voting, through a series of Communications in the fields of foreign affairs, taxation, energy and climate, as well as social affairs. The Communication on qualified majority voting in the field of taxation adopted on 15 January 2019 set out a roadmap for the gradual use of qualified majority voting.*

*Mr Andreas Norlén  
Speaker of the Riksdag  
SE – 100 12 STOCKHOLM*

*The Commission would like to stress that the move towards qualified majority voting will be pursued in a targeted manner and under specific circumstances. The move to qualified majority voting via so-called 'passerelle clauses' requires unanimous agreement by EU Member States. As regards Article 116 TFEU, it may only be used under specific circumstances, to eliminate distortions of competition due to differences in the rules of some Member States. Its activation requires strict conditions to be met and it cannot be used as a legal basis for tax harmonisation measures.*

*The Commission takes note that the Riksdag intends to return to the other initiatives of the Action Plan when more concrete proposals have been presented. It hopes that the clarifications provided in this reply address the issues raised by the Riksdag and looks forward to continuing our political dialogue in the future.*

*Yours faithfully,*

*Maroš Šefčovič  
Vice-President*

*Paolo Gentiloni  
Member of the Commission*