Reasoned opinion from the Riksdag

The Riksdag supports the objective of promoting a well-functioning single market through positive measures. However, the Riksdag considers that there is reason to question the need for a common EU regulatory framework to reduce the distortion that the Commission considers exists in connection with financing of companies with debt rather than equity.

The Riksdag wishes to emphasise that the fundamental principle of tax sovereignty for the member states must be safeguarded in the case of direct taxation. It falls within the national competence of each member state to safeguard welfare by levying and using tax revenues in an appropriate way. An excessively extensive application of the rules providing the EU with legislative competence will eventually lead to an erosion of member states' sovereignty as regards levying and maintaining sufficient tax revenue in order to finance welfare. The Riksdag considers it relevant in this context to once again underline the importance of safeguarding the member states' national sovereignty and self-determination.

According to the principle of subsidiarity, the Union should, in areas which do not fall within its exclusive competence, act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the member states themselves, and can therefore, by reason of the scale or effects of the proposed action, be better achieved at EU level. The Commission's proposal means the introduction of a deduction for equity and a limitation of deductibility of interest in the corporate sector. The proposal involves a restriction of Sweden's scope to draw up corporate tax rules that are adapted to national conditions. It is important that the benefits of harmonised tax rules in this area are weighed against the restriction of member states' opportunities to introduce and retain their own national tax rules that harmonisation involves. In the opinion of the Riksdag, the member states are better equipped to assess and have an overview of how corporate taxation should be formulated in order to achieve political and economic objectives. The Riksdag does not consider that the advantages of the proposal outweigh the disadvantages associated with restriction of national powers that the proposal involves.

Sweden has introduced provisions on limiting the deductibility of interest in the corporate sector on several occasions. A point of departure when the general interest deduction limitation rule was introduced pursuant to Article 4 of the ATAD Directive was to increase neutrality between debt and equity. In view of this, the Riksdag considers that the extent of the distortion between equity and debt may be questioned, as well as the need for further regulation in this area.

In summary, the Riksdag considers that the Commission has not shown that a directive is necessary to achieve the objectives. Nor does the Riksdag consider that the Commission has provided sufficient justification to show that the proposal does not go beyond what is necessary to achieve the set objectives.

In the light of the above, the Riksdag considers that the Commission's proposal cannot be considered to be compliant with the principle of subsidiarity.