



EUROPEAN COMMISSION

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## Fair and Simple Taxation: Commission proposes new package of measures to contribute to Europe's recovery and growth

The European Commission has today adopted an ambitious new Tax Package to ensure that EU tax policy supports Europe's economic recovery and long-term growth. The Package is built on the twin pillars of fairness and simplicity. Fair taxation remains a top priority for the European Commission, as a means of protecting public revenues, which will pay an important role for the EU's economic recovery in the short-run and prosperity in the long-run.

Today's Package seeks to boost tax fairness, by intensifying the fight against tax abuse, curbing unfair tax competition and increasing tax transparency. In parallel, it focusses on simplifying tax rules and procedures, to improve the environment for businesses across the EU. This includes removing tax obstacles and administrative burdens for taxpayers in many sectors, so that it is easier for companies to thrive and grow in the Single Market.

Today's Tax Package is made up of **three** separate but related initiatives:

- The **Tax Action Plan** presents 25 distinct actions to make taxation simpler, fairer and better attuned to the modern economy over the coming years. These actions will make life easier for honest taxpayers, by removing obstacles at every step, from registration to reporting, payment, verification and dispute resolution. The Action Plan will help Member States to harness the potential of data and new technologies, to better fight tax fraud, improve compliance and reduce administrative burdens.
- **The proposal on administrative cooperation** (DAC 7) extends EU tax transparency rules to digital platforms, so that those who make money through the sale of goods or services on platforms pay their fair share of tax too. This new proposal will ensure that Member States automatically exchange information on the revenues generated by sellers on online platforms. The proposal also strengthens and clarifies the rules in other areas in which Member States work together to fight tax abuse, for example through joint tax audits.
- **The Communication on tax good governance** focusses on promoting fair taxation and clamping down on unfair tax competition, in the EU and internationally. To this end, the Commission suggests a reform of the Code of Conduct, which addresses tax competition and tackles harmful tax practices within

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the EU. It also proposes improvements to the EU list of non-cooperative jurisdictions, which deals with non-EU countries that refuse to follow internationally agreed standards. This has, so far encouraged third countries to adopt tax good governance standards, but more needs to be done. The Communication also outlines the EU's approach to work together with developing countries in the area of taxation, in line with the 2030 Sustainable Development agenda.

Today's Package is the first part of a comprehensive and ambitious EU tax agenda for the coming years. The Commission will also work on a new approach to business taxation for the 21st century, to address the challenges of the digital economy and ensure all multinationals pay their fair share. In the context of the Green Deal, the Commission will make proposals to ensure that taxation supports the EU's objective of reaching climate neutrality by 2050. This multi-faceted approach to reforming taxation in the EU aims to make taxation fairer, greener and fit for the modern economy, thus contributing to long-term, sustainable, inclusive growth.

#### **Members of the College said:**

Valdis **Dombrovskis**, Executive Vice-President for an Economy that works for People, said: *"Now more than ever, Member States need secure tax revenues to invest in the people and businesses who need it most. At the same time, we need to break down tax obstacles and make it easier for EU companies to innovate, invest and grow. Today's Tax Package takes us in the right direction, helping to make taxation fairer, more user-friendly and more adapted to our digital world."*

Paolo **Gentiloni**, Commissioner for Economy, said, *"Fair taxation is the springboard that will help our economy bounce back from the crisis. We need to make life easier for honest citizens and businesses when it comes to paying their taxes, and harder for fraudsters and tax cheats. These proposals will help Member States to secure the revenues they need to invest in people and infrastructure, while creating a better tax environment for citizens and businesses throughout Europe."*

#### **For More Information**

For more information, see: [https://ec.europa.eu/taxation\\_customs/general-information-taxation/eu-tax-policy-strategy/taxation-package\\_en](https://ec.europa.eu/taxation_customs/general-information-taxation/eu-tax-policy-strategy/taxation-package_en)