



**EUROPEAN COMMISSION**  
DIRECTORATE-GENERAL  
TAXATION AND CUSTOMS UNION  
Direct taxation, Tax Coordination, Economic Analysis and Evaluation  
**Direct Tax Policy & Cooperation**

Brussels, 10/04/2014

## **PUBLIC CONSULTATION PAPER**

### **Consultation on tax problems faced by EU citizens when active across borders within the EU**

Period of consultation: from 10/04/2014 to 03/07/2014

#### **Note:**

**This document is being circulated for consultation.**

**The European Commission (Directorate-General for Taxation and Customs Union) has launched this public consultation in order to collect information on any tax problems that individuals encounter when they invest or work across borders within the EU as well as on any good practices that EU countries apply to eliminate or reduce any such problems and any other ideas for solutions.**

**Important notice: this document is a staff working paper of D.G. Taxation and Customs for discussion and consultation purposes. This document does not necessarily reflect the views of the European Commission and should not be interpreted as a commitment by the Commission to any official initiative in this area.**

The parties concerned are invited to submit their contributions no later than 03/07/2014

Comments may be contributed directly through the web page form:

[http://ec.europa.eu/taxation\\_customs/common/consultations/tax/index\\_en.htm](http://ec.europa.eu/taxation_customs/common/consultations/tax/index_en.htm)

OR sent by letter, fax or electronic mail to the following address:

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## **1. What is the aim of this public consultation?**

In its Communication on Removing cross-border tax obstacles for EU citizens<sup>1</sup> the European Commission announced its intention to launch a debate on ways to simplify tax compliance in cross-border situations. Ideas mentioned in the Communication included:

- *“Setting up central one-stop-shops in tax administrations where mobile workers and investors could not only seek relevant and reliable tax information, but also directly pay taxes and receive all the necessary certificates for their home country’s tax authorities*
- *Facilitating cross-border tax compliance by seeking greater alignment of tax claim and declaration forms, translating information into other EU official languages and making greater use of information technology*
- *Encouraging EU countries to adopt special rules for frontier workers and mobile workers that take account of the interaction of tax and social security systems in different EU countries*
- *Promoting better interaction between the different pension taxation regimes so as to encourage worker mobility.”*

This public consultation is designed to collect information on any tax problems that individuals currently face when, for example, they work or buy property in, or move to, EU countries other than their country of normal residence. We would also welcome information on any existing measures that EU countries take to address such problems and any other ideas and suggestions for solutions.

## **2. Who is being consulted?**

All stakeholders – citizens, EU countries, tax administrations, intergovernmental, non-governmental and business organisations, tax practitioners and academics – are invited to provide their views on this matter.

## **3. Background**

Individuals exercising cross-border activities within the EU are often confronted with different/ additional tax issues compared to individuals who are active only within a single EU country. The issues that can arise may include complex administrative procedures, language barriers, different interpretations of tax treaties by the Member States involved, difficulties in accessing relevant tax information and difficulties in identifying officials responsible in national tax administrations. The problems often stem from the fact that two or more EU countries may have the right to tax the income of an individual. Even if procedures exist in theory to prevent double or multiple taxation, the application of those procedures may be very complicated in practice.

Some EU countries have adopted measures to address these cross-border tax problems. Examples of such measures include:

- close cooperation between tax administrations in neighbouring countries
- tax web sites common to two or more countries

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<sup>1</sup> COM(2010)769 Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee on Removing cross-border tax obstacles for EU citizens.

- availability in several languages of the most frequently used tax forms
- the provision of tax-related information in several languages, and
- specialised departments in national administrations to deal with cross-border tax issues.

Although some EU countries have already made substantial efforts and adopted a number of measures to reduce the existing cross-border tax obstacles, others may still need to take steps in this direction.

The Commission organised a workshop for tax administrations of EU countries in December 2012 at which EU tax officials shared information on their best practices in dealing with cross-border tax cases<sup>2</sup> in the following areas:

- Providing information on cross-border taxation
- Adopting procedures for avoiding double taxation
- Conceiving tax forms for cross-border situations
- Taxpayers' Codes

The Commission is now launching this public consultation with a view to inviting all interested parties to contribute to the exercise of providing information on current problems and identifying best practices to remedy these problems.

This public consultation will be complemented by work of an expert group which will assist the Commission in drawing up a list of best practices that could be relevant and realistic for all EU countries. The expert group will in the course of its work examine the responses to this public consultation.

#### **4. Questions submitted to the stakeholders concerned**

This public consultation is designed to obtain information on current tax problems which individuals face if they are active across borders within the EU and any existing or suggested solutions to those problems. To be more precise, we would first like to hear about any cross-border tax problems which individuals encounter, any steps they have taken to resolve these problems and the outcome of their actions. Next, in cases where solutions have been found, we would like to know the actors involved in finding the solutions, what worked well and where there is scope for further improvement. On the basis of experience in real cases, we would like to receive views on any existing good practices applied by EU countries to remove or reduce tax obstacles for individuals' cross-border activities, suggestions for improvements to those practices and any other suggestions or recommendations.

Finally contributors are invited to consider if there is any action that could usefully be taken at EU level or on the basis of a coordinated approach by all EU countries.

The questionnaire is included in a separate document.

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<sup>2</sup> This workshop was organised within the framework of the Fiscalis programme, which is an EU cooperation programme enabling officials of national tax administrations to meet and exchange information and expertise.

## QUESTIONNAIRE

### **I. General identification of the stakeholder<sup>3</sup>**

Name:

Surname:

Or

Name of organisation:

State of residence/ establishment:

State of tax residence (if different):

Are you:

- An individual
- Tax administration of an EU country
- Expert/tax adviser/tax practitioner/lawyer
- An interest representative (association/professional organisation/trade union)
- An academic
- Other (please specify)

If you are an interest representative, are you registered in the EU interest representatives' registry?

Yes

No

If applicable, you may indicate your identification number as referred to in the previous question in the registry:

Do you agree to the publication of your response?

Yes

No

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<sup>3</sup> Please consult the separate privacy statement document available at .....

Do you agree to the publication of your name and other personal data?

Yes

No

If you reply as an individual, are you a:

a) Cross-border worker (i.e. a regular commuter across a border)?

b) A mobile worker (i.e. you work/worked in several EU countries)?

c) Other? (Please specify)

## **II. Individuals' experience of cross-border tax obstacles**

Have you yourself or the stakeholders you represent experienced cross-border tax problems?

Yes

No

If your answer to the previous question is "no" please explain the reason for your interest in the issues covered by the present public consultation:

Please indicate the country or countries in which you have encountered or are aware of cross-border tax problems:

Austria	<input type="checkbox"/>	Germany	<input type="checkbox"/>	Portugal	<input type="checkbox"/>
Belgium	<input type="checkbox"/>	Greece	<input type="checkbox"/>	Romania	<input type="checkbox"/>
Bulgaria	<input type="checkbox"/>	Hungary	<input type="checkbox"/>	Slovakia	<input type="checkbox"/>
Cyprus	<input type="checkbox"/>	Ireland	<input type="checkbox"/>	Slovenia	<input type="checkbox"/>
Czech Rep.	<input type="checkbox"/>	Italy	<input type="checkbox"/>	Spain	<input type="checkbox"/>
Croatia	<input type="checkbox"/>	Latvia	<input type="checkbox"/>	Sweden	<input type="checkbox"/>
Denmark	<input type="checkbox"/>	Lithuania	<input type="checkbox"/>	UK	<input type="checkbox"/>
Estonia	<input type="checkbox"/>	Luxembourg	<input type="checkbox"/>	Iceland	<input type="checkbox"/>
Finland	<input type="checkbox"/>	Malta	<input type="checkbox"/>	Liechtenstein	<input type="checkbox"/>
France	<input type="checkbox"/>	Netherlands	<input type="checkbox"/>	Norway	<input type="checkbox"/>
		Poland	<input type="checkbox"/>	Switzerland	<input type="checkbox"/>

Other? (Please specify)

Please indicate the type of cross-border tax problem(s) that you have experienced:

Discrimination from an EU law perspective<sup>4</sup>

Double taxation<sup>5</sup>

Lack of tax information

Administrative complexities

Other (Please specify)

Have you experienced any particular cross-border tax problem linked to e-commerce, an online purchase or sale?

Could you please describe the cross-border tax problem(s) in more detail? (Max 500 words)

What effect did the tax problem have on your activities or behaviour? (Max 500 words)

Are you aware of any other cross-border tax problems which individuals frequently face within the EU? Could you please describe them (max 500 words)?

**III. Rules or practices in your EU country of residence, or in another EU country with which you are familiar, that are aimed at finding solutions to individuals' cross-border tax problems**

Have you taken any steps to resolve the cross-border tax issues you have encountered?

Yes

No

If the answer to the previous question is “no”, could you please explain why you did not take any further steps (max 500 words)?

If the answer to the previous question was “yes”, have you been successful in resolving the cross-border tax issue(s) faced?

Yes

No

If yes, please indicate what the solution(s) to the cross-border tax problem(s) involved:

Obtaining specific tax information

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<sup>4</sup> Discrimination under EU law is the treatment of similar cases differently or the treatment of different cases in the same way. Internal Market law is mainly concerned with discrimination based on nationality.

<sup>5</sup> Double taxation for the purpose of this consultation is if the same income/transaction/item is being taxed by two different EU countries.

- Contacting specific tax offices
- Using the assistance of One-Stop-Shops<sup>6</sup>
- The application of specific procedures
- Bilateral or multilateral cooperation
- Using specific tax forms
- Using tax forms common to two or more EU countries
- Finding tax information in a range of languages
- Other (please specify) (max 500 words)

Who were the actors involved in finding solution (s)?

- The tax administration in the country of residence
- The tax administration in the other country
- A central tax office
- A tax office specialised in cross-border tax issues
- A Solvit centre<sup>7</sup>
- Your Europe Advice<sup>8</sup>
- Europe Direct<sup>9</sup>
- EURES network office<sup>10</sup>

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<sup>6</sup> Usually a specialised office for taxes or for several types of administrative issues where an individual can deal with a number of formalities that are related to each other without needing to contact a number of different authorities or offices.

<sup>7</sup> SOLVIT ([www.ec.europa.eu/solvit](http://www.ec.europa.eu/solvit)) is an on-line problem solving network in which EU countries work together to solve without legal proceedings problems caused by the misapplication of Internal Market law by public authorities. There is a SOLVIT centre in every European Union country (as well as in Norway, Iceland and Liechtenstein). SOLVIT Centres can help with handling complaints from both **citizens** and **businesses**. They are part of the national administration and are committed to providing real solutions to problems within ten weeks. Using SOLVIT is free of charge.

<sup>8</sup> Your Europe Advice ([www.europa.eu/youreurope/advice/index\\_en.htm](http://www.europa.eu/youreurope/advice/index_en.htm)) is an EU advice service for the public. It consists of a team of lawyers who cover all EU official languages and are familiar both with EU law and national laws in all EU countries.

<sup>9</sup> Europe Direct offers ([www.europa.eu/europedirect/index\\_en.htm](http://www.europa.eu/europedirect/index_en.htm)) a central information service reachable by phone or internet and local information services in every EU country providing information tailored to local needs.

<sup>10</sup> EURES ([www.ec.europa.eu/eures/](http://www.ec.europa.eu/eures/)) provides information, advice and recruitment/placement (job-matching) services for the benefit of workers and employers as well as any citizen wishing to benefit from the principle of the free movement of persons.

European Consumer Centre<sup>11</sup>

The National Ombudsman's office

Was the solution sufficient?

Yes

No

Do you want to provide more details about the solution(s) (max 500 words)?

Have you been in contact with other stakeholders, in your country or in other EU countries, who have experienced cross-border tax problems?

Yes

No

Do you want to provide more information on such contacts (max 500 words)?

**IV. Your opinion on best practices in taxation that could or should be adopted in order to address the most frequent cross-border tax problems faced by individuals**

On the basis of your experience with cross-border tax problems, do you consider any of the practices applied by the tax authorities of the EU countries involved as best practices that should be applied more widely?

Yes

⇒ Please provide details and explain why (max 500 words).

No

⇒ Please explain why not (max 500 words).

Have you any ideas/ suggestions for how to solve individuals' cross-border tax problems?

Yes

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<sup>11</sup> European Consumer Centres ([www.ec.europa.eu/consumers/ecc/contact\\_en.htm](http://www.ec.europa.eu/consumers/ecc/contact_en.htm)) offer free consumer advice and support to EU residents who are buying goods or services from traders based in other EU countries



No

If yes, please specify (max 500 words)

Could these ideas be applied by all EU countries?

Yes

No

Please provide further information if so wished (max 500 words)

Have you encountered or heard of solutions in areas other than taxation or in other EU countries or non-EU countries that could be useful in reducing cross-border tax problems?

Yes

No

If yes, please specify (max 500 words)

Do you think that sharing best practices between EU countries in this area could assist in making progress in tackling individuals' cross-border tax problems?

Yes

No

#### **V. Your opinion on actions that could be undertaken at EU level**

Do you think that common solutions to address tax obstacles faced by individuals at EU level would be useful?

Yes

No

Which types of solution could be useful at EU level?

Providing information that is common to the whole of the EU (such as a web site)

Developing standard tax forms to be used in in all EU countries for similar transactions/reporting

Adopting a taxpayers' code specifying rights and obligations of tax payers in cross-border situations

Introducing rules such as binding arbitration for cases where individuals are being doubly taxed and the EU countries involved would otherwise not agree on the interpretation of their treaties for the avoidance of double taxation

Rules for closer cooperation between EU countries' tax authorities.



Other (please specify) (max 500 words)