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PLATFORM FOR TAX GOOD GOVERNANCE

EU Tax Observatory – An overview

This is a Commission services working paper prepared by DG TAXUD for discussion purposes. It does not represent a formal Commission or Commission services position or policy. The paper is therefore without prejudice to any position which may be taken by the Commission in the future.

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The European Commission is committed to promoting fair, efficient and sustainable taxation. In July 2020, the Commission adopted a Tax Package, among other things, reinforcing its fight against tax abuse. The launch of the Tax Observatory was one of the many actions announced in that Package, to tackle the fight against tax evasion and avoidance and to promote fairer taxation in the EU and beyond. The Tax Observatory's research will complement the Commission's reflection process on the future of taxation in the EU, which will conclude in a Tax Symposium on the “EU tax mix on the road to 2050” in 2022.

At the request of the European Parliament (“preparatory action”) TAXUD created and awarded a grant for an EU Tax Observatory, with a budget of EUR 1.2 million running from December 2020 to May 2022.



Figure 1 The missions of the Tax Observatory, from its website at: <https://www.taxobservatory.eu/about/>

The purpose of the Observatory is to support EU policy-making through cutting-edge research, analysis and data-sharing. On 1 June 2021, the Observatory was officially launched during a press event organised in the EC press room.¹

The Observatory is fully independent in conducting its research, objectively informing policymakers and suggesting initiatives that could help to better tackle tax evasion, tax avoidance and aggressive tax planning. More broadly, it should stimulate discussion and debate amongst stakeholders and citizens on these topics via events and its website.

The Tax Observatory brings together European universities, civil society organisations, research centres, individual academics, economists, lawyers and journalists as a consortium, hosted by the Paris School of Economics. It is led by Prof. Gabriel Zucman (see below for more information).

¹ <https://www.taxobservatory.eu/event/launch-of-the-european-tax-observatory-replay-and-press-release/>

The objectives of the Tax Observatory are:

- To create an independent, non-partisan, objective observatory of EU taxation, with a focus on corporate taxation.
- To perform cutting-edge research on tax avoidance, tax evasion, and aggressive tax planning, at the highest international level.
- To promote an inclusive, democratic, pluralistic debate on taxation policies across the EU.
- To inform policy-makers with the most current research findings and suggest initiatives to foster fair taxation in the EU.

Among the expected deliverables of the Tax Observatory are 5 research papers, 8 events and a website to allow users to simulate the effect of ongoing and projected reforms of corporate taxation in user-friendly way.



Figure 2 The EU Tax Observatory in key numbers

About Gabriel Zucman

Gabriel Zucman is a French economist renowned for his research on tax havens and corporate tax havens. His research focuses on the accumulation, distribution, and taxation of global wealth. In 2018, Zucman received the Prize for the Best Young Economist in France, in recognition of his research on tax evasion and avoidance and their economic consequences. He is currently an Associate Professor of Economics at the University of California, Berkeley. He is also the recipient of the 2021 Andrew Carnegie Fellowship Award. He is the Director of the EU Tax Observatory, which is established at the Paris School of Economics.