



EUROPEAN ASSOCIATION OF TAX LAW PROFESSORS (EATLP)

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To the secretariat of the Platform for Tax Good Governance:

Your email of 1 September 2020, sought us to outline our preferred agenda for the next 5-year period of the Platform.

The Platform should be used to share best practices in tax policy, tax legislation as well as tax administration among the Member States. In recent years, EU tax policy has been mainly concerned with introducing efficient measures for sustainable tax revenues. However, a focus on the taxpayers who contribute to these sustainable tax revenues and on their rights is of equal importance.

First and foremost, the economy must overcome the crisis; only then governments will obtain sufficient tax revenues. The current crisis has drawn into focus the economic importance of the flexibility of tax law and its stabilizing function. Most needed from the viewpoint of the taxpayers is legal certainty as well as a renunciation or at least the suspension of exuberant administrative burdens. The focus on tax fraud, evasion and avoidance may frustrate the majority of compliant taxpayers and affect their cooperativeness.

On this basis, we would like to propose the following three main topics:

1. EU taxpayers' rights charter and cooperative compliance framework

In the interest of the balance of rights and obligations, we consider it necessary to develop an EU charter of taxpayers' rights and to focus on the simplification of tax reporting duties.

Such efforts at EU level must be embedded into the national tax procedure systems. The Platform should organize an exchange on best practices in the EU Member states, also in regard to e-government and tax transparency.

2. Consequences of the COVID-19 crisis

The Platform should serve as a forum of exchange on utilizing tax law to overcome the economic crisis



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This includes, in a first step, ensuring the taxpayers' liquidity. Relevant means include an interest-free deferral of tax claims and the prompt utilization of losses, including their carryback.

In a second step, the focus will be on tax measures stimulating growth and sustainable development in the Member States and the Union. An exchange on appropriate measures can help to distinguish between economically necessary measures and harmful tax competition/prohibited state aid. In this context, it should also be discussed to which extent green taxation can support or hinder economic growth.

In a third step, measures in order to re-finance national COVID-19 aid and the EU recovery plan will lead to a discussion on new taxes on national as well as on EU level.

3. Tax good governance standards for EU tax policy

The latter substantiates the need of standards for EU tax policy. This need includes standards on

- a) the use of soft law in contrast to regulations and directives. This will be especially important if the Code of Conduct on Business Taxation is renewed and the Code of Conduct Group is mandated to consider effective consequences for non-compliant Member States.
- b) multilateral and unilateral approaches, discussing the pros and cons of a implementation of OECD recommendations into binding EU tax directives, e.g.
 - national digital (service) taxes versus a multinational/European solution
 - minimum taxes (GloBE) versus a black/white list approach.
- c) possibilities of adopting proposals on taxation by ordinary legislative procedure, exploring the potential of Article 116 TFEU.
- d) establishing an obligatory impact assessment of EU tax policy. This includes
 - institutionalising the exchange between the Member States on the implementation and application of new EU-directives.
 - understanding whether country-specific recommendations on tax law in the European Semester are useful and effective.

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