



The Taxpayers' Rights Initiative

PLATFORM FOR TAX GOOD GOVERNANCE

10 March 2021

The Tax Package and the Action Plan

15 July 2020: adoption of the Tax Package with the Communication COM(2020)312 final “An Action Plan for Fair and Simple Taxation Supporting the Recovery Strategy”

The tax package consists of 3 elements:

- An Action plan for a fair and simple taxation with 25 actions
- A legislative proposal to revise the Directive on administrative cooperation (DAC7 - political agreement reached, adoption in Council in near future)
- The Communication (Tax Governance in the EU and beyond).

The Action Plan

Action Plan : The 25 actions in the field of direct and indirect taxation follow the organic cycle of taxpayers relation with the tax administration:

- Registration / Reporting / Payment / Verification, monitoring and administrative cooperation / Disputes / Simplify EU tax rules for more competitiveness in the Single Market

Taxpayers' Rights:

“To simplify the life of taxpayers operating in the Single Market, the Commission will take the following actions:

In 2020/2021

17. Charter on taxpayer's rights. The Commission will publish a Communication taking stock of taxpayers' existing rights under EU law together with a Recommendation to Member States to facilitate the implementation of taxpayers' rights and to simplify tax obligations.”

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- The Annex to COM(2020)312 sets the delivery for **3rd quarter 2021**
- Working titles of actions:
 - „Communication on existing rights of taxpayers in the European Union“
 - „Recommendation to improve the Situation of Taxpayers in the European Union“
 - Adoption of two documents jointly in 3rd quarter 2021
- State of Play Communication:
 - Objective: to catalogue existing rights based on case law and practice, and raise the awareness of both taxpayers and of tax administrations regarding these rights and obligations, illustrated with examples.
 - Target: citizens exercising their rights to move – and not: tax practitioners or tax academics
 - For direct taxation: landmark cases from ECJ-Jurisprudence: Schumacker, Verkooijen, Biehl, de Lasteyrie, Gerritse, the judgements concerning capital gains on holiday homes etc.

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- State of Play Recommendation:
 - Next step: public consultation
- Scope of Recommendation for direct tax: Citizens
 - Pensioners
 - Portfolio-Investors
 - Employed persons – frontier worker, posted worker, mobile persons
 - Self-employed
 - Non-incorporated SMEs (ex. general partnerships)
- Scope for indirect tax: by definition enterprises

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- Basis of List of Potential Issues for the Recommendation
 - Input from Citizens (complaints, letters, petitions)
 - Previous initiatives (WHT, Inheritance tax)
 - Follow-up of Expert Group Report 2016 „Ways to tackle cross-border tax obstacles facing individuals within the EU“
- A list of Potential Issues for Recommendation already drafted:
 - issues were fed into questionnaire for public consultation
 - But: results from public consultation may also feed into the recommendation

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- Characteristics of Issues for Recommendation
 - It is about: improving the situation of taxpayers and not on pointing out to weaknesses of national tax systems
 - Practical issues, which would make the life of citizens with cross-border activities less burdensome and less costly
 - Example: highly mobile person with income from several MS: need for certified translations of notices
 - No direct link to the identification of taxpayers' rights in the Communication: The taxpayers' rights identified under the Communication are enforceable under Union law.
 - The recommendation is complementary – no following-up of the Communication but addressing issues improving the situation of taxpayers
- ⇒ **Cross-border Tax Obstacles / Disparities**

Recommendation – List of Potential Issues

- Mitigating Effective Double Taxation
 - One stop shop for Pensioners / Sharing of Tax Revenue and not sharing of taxing rights
 - Filling the gap of Treaty Network, in particular inheritance tax
 - Refund of excess withholding taxes
- Addressing Cross-Border Tax Obstacles
 - Use of pre-filled declarations
 - standardised, uniform and multilingual forms for certificates for residency, tax credits
 - a central database gathering all standard forms with EN translation.
 - Introducing contact points / country desks within the tax administration
- Any other input from Public Consultation?

What can you do ?

- How can the Members of the Platform for Good Governance assist and contribute ?
 - By providing input into the questionnaire. Problems and issues which concern, e.g. cross-border workers or frontier workers and of which the Commission services are not aware.
 - No individual issues of taxpayers but issues of concern to groups of taxpayers
- If possible – please promote the public consultation by spreading its launching to interested stakeholders.

Keep in touch



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Thank you



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