



EUROPEAN COMMISSION
 DIRECTORATE-GENERAL
 TAXATION AND CUSTOMS UNION
 TAX POLICY
 Coordination of tax matters

Brussels, 25 June 2004
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**QUESTIONNAIRE ON CORPORATE TAX AS BARRIER TO EU EXPANSION
 OF SMALL AND MEDIUM-SIZED ENTERPRISES**

The European Commission intends to formally propose to Member States a pilot tax scheme which would allow small and medium-sized enterprises (SMEs) to apply "Home State Taxation" on an experimental basis for five years to their economic activities in the EU. The objective is to address the business tax problems SMEs experience when expanding cross-border and often prevent them from benefiting fully from the Internal Market's potential. An appropriate Commission recommendation is in principle planned for late 2004. Under the scheme, in simple terms, the profits of a group of companies active in more than one Member State would be computed according to the rules of one country's tax system only, the system of the Home State of the parent company or head office of the group. Each participating Member State would continue to tax at its own corporate tax rate its share of the profits of the group's business activities in that State. No harmonisation of rules is sought.

The following questionnaire is intended to gauge the support of the EU SME community for this project and collect some useful information in this respect. ***It should be completed in an anonymous form. We should be grateful if you could answer as many of the questions as possible. No individual replies will be published or otherwise made available to the public. The questions only relate to business taxation and your replies should exclude VAT aspects.***

Please use a separate sheet of paper, if you wish, to make further comments.

Please reply, preferably by e-mail, by 15 September 2004 to

European Commission
 DG Taxation and Customs Union
 Re: SME Survey
 office: MO 59 6/40
 B-1049 Brussels
 Fax: +32-2-2956377
 E-mail: TAXUD-COMPANY-TAXATION@cec.eu.int

In which European Union country are you based?

Your business is a corporation: **or a partnership:**

1) Do the different existing business tax laws and arrangements within the Internal Market discourage you from expanding to another Member State?

YES		NO	
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Comments:
.....

2) If you could use your domestic business tax rules to work out your taxable profits for all European Union countries, where you do business, using your own language and file all the calculations only with your 'home' tax authorities, would you consider creating a new, or expanding an existing, establishment in one or more EU states?

YES		NO	
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Comments:
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3) If the scheme described were set up as a pilot for five years, would you be interested in participating?

YES		NO	
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Comments:
.....

4) Please comment on other tax issues which you consider important to your business' expansion.

Comments:
.....
.....

YOUR BUSINESS

In order to reply to questions ii); iii) and iv) you may wish to use the enclosed table.

- 5)
- i) What is your group turnover? (Please specify the currency)
 - ii) In which countries do you have a business establishment?
 - iii) Broadly, what is your percentage turnover in each state?
 - iv) How many employees (full time equivalent) do you have in each state?
 - v) How much do you spend on business tax compliance – in absolute terms and/or in relation to your group turnover? (Please specify the currency)
 - vi) How many people work on business tax issues (man days/per year)?

vii) How often has your business been subjected to a tax audit over the last ten years?

<i>Member States</i>	<i>Put a cross if you have an establishment in the Member State</i>	<i>Number of full-time equivalent employees working</i>	<i>Indicate % of group turnover</i>
Belgium			
Czech Republic			
Denmark			
Germany			
Estonia			
Greece			
Spain			
France			
Ireland			
Italy			
Cyprus			
Latvia			
Lithuania			
Luxembourg			
Hungary			
Malta			
The Netherlands			
Austria			
Poland			
Portugal			
Slovenia			
Slovakia			
Finland			
Sweden			
United Kingdom			
Outside EU			
	Total:		100%