

EUROPEAN PARLIAMENT

Working Documents

1982-1983

14 March 1983

DOCUMENT 1-1331/82

REPORT

drawn up on behalf of the Committee on Economic and
Monetary Affairs

on the proposal from the Commission of the European
Communities to the Council (Doc. 1-918/81-COM(81)
729 final) for a Council Decision establishing a
prior information and consultation procedure for
tax matters

Rapporteur : Mr B. BEUMER

By letter of 21 December 1981 the President of the Council requested the European Parliament to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a Council Decision establishing a prior information and consultation procedure for tax matters.

On 7 January 1982 the President of the European Parliament referred this proposal to the Committee on Economic and Monetary Affairs.

On 24 February 1982 the Committee on Economic and Monetary Affairs appointed Mr Beumer rapporteur.

It considered the proposal and the draft report at its meeting of 23 February 1983.

At that meeting it decided with two votes against to recommend to Parliament that it approve the Commission's proposal without amendment.

The motion for a resolution as a whole was adopted with two votes against.

The following took part in the vote: Mr Hopper, acting chairman; Mr Macario, vice-chairman; Mr Beumer, rapporteur; Mr Albers (deputizing for Mr Walter), Mr Beazley, Mr von Bismarck, Mr Bonaccini, Mr de Ferranti, Mr I. Friedrich, Mr Giavazzi, Mr Herman, Mr Kazazis (deputizing for Mr Collomb), Mr Leonardi, Mr Papantoniou, Sir Brandon Rhys-Williams, Mr Rogalla (deputizing for Mr Mihr), Mr Wagner, Mr Welsh and Mr von Wogau.

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The Committee on Economic and Monetary Affairs hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on the decision to consult the European Parliament on the proposal from the Commission of the European Communities to the Council for a Council Decision establishing a prior information and consultation procedure for tax matters

The European Parliament,

- having regard to the proposal from the Commission to the Council,¹
 - having been consulted by the Council pursuant to Article 235 of the EEC Treaty (Doc. 1-918/81),
 - having regard to the report of its Committee on Economic and Monetary Affairs (Doc. 1-1331/82),
 - having regard to the outcome of the vote on the Commission's proposal,
1. Agrees with the Commission that the establishment of a prior information and consultation procedure for tax matters will make it possible for the Member States to be informed as to the impact of proposed measures on the Community interest and on future prospects for harmonization; therefore approves the proposal;
 2. Considers that the proposed stipulations concerning secrecy and the possibility of implementing measures immediately in emergencies, even if the proposed procedure has not been concluded, are necessary and sufficient;
 3. Points out however, that the proposed procedure is in no sense a guarantee that the measures adopted by the Member States will help to bring about convergent development of tax systems in the Community; stresses that in view of the autonomy of the Member States in drawing up tax provisions, this objective will depend almost entirely on the political will of the governments; therefore calls on governments to take the maximum possible account of the Community interest and of possibilities for tax harmonization in drawing up their provisions;

¹ OJ No. C 346, 31.12.1981, page 6

4. Instructs its President to forward this resolution and the relevant report to the Council and Commission of the European Communities, and to the governments of the Member States.

EXPLANATORY STATEMENT

1. As a means of counteracting divergencies between national tax systems, the Commission proposes a prior information and consultation procedure on provisions the national authorities plan to adopt. This covers provisions relating to tax structures, the overall tax burden, the relative impact of particular taxes, etc.

The procedure proposed would make it possible to keep plans secret and would allow emergency measures to be adopted before the consultation procedure had been concluded. There are occasions where this would in fact be necessary.

2. The Committee on Economic and Monetary Affairs approves the establishment of a consultation procedure of this kind. National tax systems do in fact have a tendency to diverge rather than converge, and this conflicts with the goals of economic convergence and economic and monetary union.

3. The value of this consultation procedure should not however, be over-estimated. The Commission can, of course, point out to a Member State that a particular measure it intends to implement will lead to even greater divergence of taxation systems in the Community. The Member State cannot, however, be forced to amend or abandon the measure unless it happens to conflict with the provisions of the Treaty, in particular articles relating to aids granted by Member States (Articles 92 and 93) and tax provisions (Articles 95 to 99). These are aimed at preventing distortions of competition. The provisions of the Treaty on fiscal measures are also applicable in relation to economic policy. The Treaty however leaves the shaping of economic policy very largely to the Member States themselves, even in matters that have a direct bearing on the Community interest. The Commission's scope for influencing the economic policies pursued by the Member States is limited to making recommendations. This means that even if the foregoing information procedure is set up, a Member State will still be free, when the relevant deadlines have expired, to implement its proposed fiscal provisions, even if this results in still greater divergence of Community tax systems. The fundamental condition for convergence is political will on the part of the governments of the Member States.