# McDonald’s Trade Union delegation and EU Competition Commissioner Vestager held a meeting on tax

(Brussels 19 December 2012) The McDonald’s international trade union coalition met with Competition Commissioner Vestager on 17 December, which coincided with the publication of the non-confidential text of the Commission’s decision on the state aid investigation of the global  fast-food leader. The representatives of EPSU and SEIU thanked the Commissioner and her team for conducting what turned out to be complex state aid investigation.

They expressed disappointment with the decision that found no illegal state aid even though the fast food leader did not pay income tax in Luxembourg and in the US and should pay back  what it owes to public coffins.

The trade union representatives noted ongoing changes in Luxembourg’s tax law that might hopefully  help avoid similar situations in the future.
The meeting was an opportunity to discuss what more needs to be done at EU level

to combat corporate tax avoidance which bears a heavy unfair price on public services, workers as well as SMEs.
A number of important legislative files are currently discussed in the Council such as public country-by-country reporting and CCCTB but some EU governments are blocking progress.

As representatives of tax administrations, EPSU reiterated the need to invest in human and material resources in tax administrations so that they can catch large companies and the rich and powerful that avoid paying their fair share and use to its full domestic and EU legislation such as the Anti Tax Avoidance directive.

The complexity of tax avoidance structures set up by the tax avoidance industry, means that digitalisation and automation cannot substitute for the highly qualified tax inspectors investigating such schemes.

The need for more and better cross-border cooperation between tax administrations was emphasized by the unions which are keeping a close watch on ongoing tax investigations as in France. The trade union side brought to the attention of the Commission the strong connection between corporate tax avoidance and low wages. This applies to McDonald’s where abusive employment practices have been well-documented by the coalition, whilst in France a complaint has been filed against the company for breaching national legal provisions on profit-sharing..

The international trade union coalition will further examine the text of the EC decision and consider whether further action is needed.

The EPSU delegation included the General Secretary Jan Willem Goudriaan, Nadja Salson responsible for tax justice and member of the Commission’s Good Tax Governance Platform, Pablo Sanchez, Communication officer.
SEIU was represented by its international officer Carl Leinonen.

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- The September decision of the Commission
- For the final decision in the state aid case against McDonalds and Luxembourg in which Luxembourg was challenged over reducing the tax base
- Unhappy meal (SEIU/EPSU/EFFAT/War on Want report that contributed to the launch of the EC state aid case)
- Update New menu

- For more on the abusive employment practices of McDonalds
- McDonald’s ordered 3 times before the European Parliament
- The Commissioner’s view on a fair Europe
- For more on the work of EPSU on tax justice
- 6 reasons why tax-inspectors want public country by country reporting
- Tax Good Governance Platform
- EU Council Directive 2016/1164 (12 July 2016) Rules against tax avoidance practices that directly affect the functioning of the internal market

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