

ETUC Congress supports a 25% European corporate tax

Press Release –Paris 1 October 2015 -Yesterday at the ETUC Congress, Europe's trade union leaders took a clear stance on corporate taxation in the EU.

Trade unions reaffirmed the need to stop the downward trend of progressive taxation on corporate profits and the upward trend of regressive tax as VAT and corporate tax avoidance.

“As we have been saying for years, Europe’s tax trends are deeply worrying. As a result workers, consumers regardless of their income levels and SMEs end up paying proportionately more tax than wealthy individuals and large profitable companies.” says EPSU General Secretary **Jan Willem Goudriaan**.

Corporate tax rates have been going down in the EU for years, today the average rate is 23%, lower than in the US or Japan.

Despite the reduced tax rates, in practice multinational companies can pay as little as 1% by using national tax loopholes to erode the tax base and rate on their profits. There is now ample evidence of institutionalized profit shifting to lower tax regimes via transfer pricing, intra-firm debt shifting and, most commonly, intellectual property, see for instance Unhappy Meal study on McDonald’s.

Corporate tax avoidance costs society € billions, according to IMF the average revenue loss is about 5% of current corporate tax revenue - it is almost 13% in non-OECD countries.

“Instead of cutting down on public service jobs and wages, governments must recoup unpaid tax to contribute to the funding of childcare, eldercare, healthcare, education and to redistribute wealth and income. Governments have promised tough measures but the reality is that near zero tax regimes in and outside Europe keep on flourishing.” adds Mr Goudriaan.

Corporate tax avoidance also largely contributes to the working poor in Europe.

This is why EPSU moved an amendment to the ETUC work programme and manifesto 2015-2019 calling for a common corporate tax with a minimum rate of at least 25% in the EU.

The ETUC congress adopted the amendment. It sends strong signals to EC President Juncker to come forward with a new proposal on a common consolidated corporate tax base (CCCTB) to ensure fair and efficient taxation in Europe.

EPSU-backed amendment was based on its 2014 Congress

<http://www.epsu.org/a/10625>

For more information see <http://www.notaxfraud.eu/> or <http://www.epsu.org/r/640>

See also EPSU's international federation PSI <http://world-psi.org/en/issue/public-fundingtaxation>

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