

**Question for written answer E-002435/2025
to the Commission**
Rule 144
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Subject: Tax law aspects of the 28th legal regime

The EU Competitiveness Compass presented by the Commission in January 2025 proposes a 28th legal regime that would simplify applicable rules and reduce insolvency costs. It also addresses relevant aspects of company, insolvency, labour and tax law¹.

It is stated in the European added value assessment² conducted by the European Parliament's research services that tax breaks and tax incentives can increase the attractiveness of the EU for entrepreneurs and workers, and that inspiration can be drawn from existing schemes in Member States, such as lower corporate taxes on reinvestment of profits, reduced social security contributions, tax exemptions for dividends and stock options.

According to settled case-law of the Court of Justice of the European Union, tax concession schemes may constitute unlawful state aid³.

1. Is the 28th legal regime intended to be in competition with Member States when it comes to tax matters?
2. How would Member States be able to lodge a complaint with the Commission against the 28th legal regime for an alleged breach of the EU state aid rules, given that the Commission is both the judge of, and a party to, such cases?
3. Do the tax rules under the 28th legal regime result in tax revenues being generated as own resources for the Union, even though the decision to introduce new own resources requires unanimity in the Council⁴?

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¹ Commission Communication of 29 January 2025 entitled 'A Competitiveness Compass for the EU' COM(2025) 030 final, p.4.

² *Scaling up European innovation. What is the potential European added value of a 28th regime?*, EPRS, European Added Value Unit, PE765.802, June 2025, p. 13.

³ Judgment of 29 April 2025, *E. sp. z o.o. v Prezydent Miasta Mielca*, C-453/23, EU:C:2025:285.

⁴ Article 311 TFEU