

(English version)

**Question for written answer E-001604/24
to the Commission**

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(3 September 2024)

Subject: Defence of taxpayers' rights in the European Union

At the start of its term, the Commission announced a recommendation on taxpayers' rights designed to simplify procedures for better tax compliance. A public consultation period followed, and a proposal was due to be submitted in the third quarter of 2021 ⁽¹⁾. However, this never happened.

A question has already been addressed to the Commission on the matter ⁽²⁾. In its reply, the Commission said that it intended to adopt the recommendation ⁽³⁾.

Europe's families and businesses have to deal with multiple complex tax systems in an internal market that is intended to be deeper and more integrated. The administrative burden of tax compliance is a significant roadblock to the competitiveness of our economy. Businesses, particularly small and medium-sized companies ⁽⁴⁾, cite regulatory burden as one of their biggest problems. The defence of taxpayers' rights is therefore a pressing issue.

1. Does the Commission still intend to submit the announced proposal before the end of its term of office?
2. If so, when?
3. If not, how does the Commission intend to take up the contributions received during the public consultation?

Submitted: 3.9.2024

Answer given by Mr Gentiloni on behalf of the European Commission
(21 October 2024)

The Commission has been working extensively to make taxation simpler, fairer and more efficient.

On 18 February 2020, the Council agreed to the new simplification rules proposed by the Commission to reduce the administrative burden for small and medium enterprises (SMEs). The new scheme will apply as of 1 January 2025.

On 8 December 2022, the Commission also proposed the Value-Added Tax (VAT) in the Digital Age package (ViDA) ⁽¹⁾, including various initiatives to modernise the EU's VAT system and make it work better for businesses.

In the area of direct taxation, on 19 June 2023, the Commission adopted a proposal for Faster and Safer Tax Relief of Excess Withholding Taxes (FASTER) ⁽²⁾ to simplify the procedures for portfolio investors to obtain relief from excess withholding taxes on cross-border dividend and interest payments. The Council reached an agreement on the proposal on 14 May 2024.

On 12 September 2023, the Commission also adopted a proposal for a Head Office Tax System (HOT) ⁽³⁾ to give SMEs operating cross-border the option to interact with only one tax administration, instead of having to comply with multiple tax systems in the EU.

Simplification remains a key political priority as outlined in the Political Guidelines for the Next European Commission 2024-2029 ⁽⁴⁾.

¹ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12627-EU-taxpayers-rights-simplified-procedures-for-better-tax-compliance-Recommendation-_en

² https://www.europarl.europa.eu/doceo/document/E-9-2023-002305_EN.html

³ https://www.europarl.europa.eu/doceo/document/E-9-2023-002305-ASW_EN.html

⁴ <https://europa.eu/eurobarometer/surveys/detail/2961>

⁽¹⁾ https://taxation-customs.ec.europa.eu/taxation/vat/vat-digital-age-vida_en

⁽²⁾ COM (2023) 324.

⁽³⁾ COM(2023) 528.

⁽⁴⁾ https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political%20Guidelines%202024-2029_EN.pdf