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E-001783/2024

Answer given by Mr Hoekstra
on behalf of the European Commission
(20.12.2024)

As EU law stands at present, direct taxation falls essentially within the competence of Member States. EU secondary legislation in the area of direct taxation is limited. In areas where no EU secondary legislation is applicable, Member States have the competence to design their own tax systems, and to decide whom and what to tax, when, at what rate, and how.

The Commission understands that the application of the presumptive minimal tax liability of the self-employed natural persons regime introduced in Greece by Law 5073/2023 makes no distinction based on the nationality or residence of the taxpayers in question or whether they are engaged in purely domestic or cross-border activities. The regime also includes targeted exemptions and a rebuttal procedure. Hence, the regime does not appear to constitute any restriction on the fundamental freedoms set out in the Treaty on the Functioning of the European Union.

The reform of improving the structure of taxes on self-employed is a measure included in a wider reform of Greece's tax policy framework that aims to combat tax evasion as part of Greece's Recovery and Resilience Plan. Milestone 338 foresees, among other actions, the entry into force of legislation to reform the taxation of the self-employed and enable the progressive reduction of the self-employed overhead tax. The Commission will verify the fulfilment of this milestone when it assesses the fifth payment request as per Regulation (EU) 2021/241, expected still this year.