



# The Commission's Initiative on Taxpayers' Rights

Albert RAEDLER

*30<sup>th</sup> November 2020*

# The Tax Package and the Action Plan

**15 July 2020:** adoption of the Tax Package with the Communication COM(2020)312 final “An Action Plan for Fair and Simple Taxation Supporting the Recovery Strategy”

The tax package consists of 3 elements:

- An Action plan for a fair and simple taxation with 25 actions
- A legislative proposal to revise the Directive on administrative cooperation (DAC7 - political agreement reached, adoption in Council in near future)
- The Communication (Tax Governance in the EU and beyond).

# The Action Plan

- The Action Plan : The 25 actions in the field of direct and indirect taxation follow the organic cycle of taxpayers relation with the tax administration
  - Registration
  - Reporting
  - Payment
  - Verification, monitoring and administrative cooperation.
  - Disputes
  - Simplify EU tax rules for more competitiveness in the Single Market

“To simplify the life of taxpayers operating in the Single Market, the Commission will take the following actions:

In 2020/2021

17. Charter on taxpayer’s rights. The Commission will publish a Communication taking stock of taxpayers’ existing rights under EU law together with a Recommendation to Member States to facilitate the implementation of taxpayers’ rights and to simplify tax obligations.”

# EU Taxpayers' Rights Initiative

- The Annex to COM(2020)312 sets the delivery for **3rd quarter 2021**
- Working titles of actions:
  - „Communication on existing rights of taxpayers in the European Union“
  - „Recommendation to improve the Situation of Taxpayers in the European Union“
  - Adoption of two documents jointly in 3rd quarter
- Procedure for adoption of Recommendation:
  - Publication of a Roadmap
  - Feedback period 4 weeks
  - Public Consultation of 12 weeks
- State of Play Communication:
  - Communication: draft outline. Target: citizens exercising their rights to move – and not: tax practitioners or tax academics
  - Give a taste to citizens on their rights, illustrated with examples. For direct taxation mainly based on ECJ-Jurisprudence: Schumacker, Verkooijen, Biehl, Bechtel, Montag, Wächter, Gerritse etc.

# EU Taxpayers' Rights Initiative

- State of Play Recommendation:
  - Next step: public consultation – initial planning was for 1 December, unfortunately need for delay
  - Next date: beginning of 2021.
  
- Issues of Recommendation:
  - Nothing which falls within the competence of the Union and would be enforceable under Union law
  - Issues which make the life of taxpayers either more burdensome or more costly
  
- ➔ Obstacles / Disparities / double taxation
  
- A list of Potential Issues of recommendation already drafted:
  - This list feeds into questionnaire of public consultation, but :
  - Results from public consultation should also feed into the recommendation

# EU Taxpayers Rights Initiative

- Report of Expert Group on Ways to Eliminate Cross-Border Tax Obstacles for Individuals in the EU
- Mitigating Effective Double Taxation
  - One stop shop for Pensioners / Sharing of Tax Revenue and not sharing of taxing rights
  - Filling the gap of Treaty Network, in particular inheritance tax
  - Refund of excess withholding taxes
- Addressing Cross border Tax Obstacles
  - pre-filled declarations
  - standardised, uniform and multilingual forms
  - a central database gathering all standard forms with EN translation.
  - contact point / country desks for tax administration
- How can you help ?
  - By providing input into the questionnaire. Problems and issues which concern, e.g. cross-border workers or frontier workers and of which the Commission is not aware.
  - Not issues of individual taxpayers but which concern at least groups of taxpayers.

