*(English version)*

**Question for written answer E-002463/18**
**to the Commission**
**Inmaculada Rodríguez-Piñero Fernández (S&D)**
*(3 May 2018)*

*Subject:* Spain's Stability Programme update 2018-2021

The Stability Programme update 2018-2021 submitted to the Commission by the Spanish Government makes provision for a EUR 600 million increase in revenue in 2018 and a further EUR 1.5 billion increase in 2019 as a consequence of the creation in 2018 of a new tax on certain digital services that will follow the principles outlined in the Commission proposal of 21 March 2018, in anticipation of its introduction in Spain. The document notes that revenue from this new tax will help finance the increase in pensions in 2018 and 2019.

Does the Commission believe that the figures presented by the Spanish Government in relation to the increased revenue that this new tax will generate are credible and realistic?

Does the Commission consider it appropriate to base the financing of the increase in pensions in Spain on the introduction of a digital services tax that is still under discussion within the EU?

Does the Commission consider it appropriate, in the context of the single market, for the Spanish Government to introduce such a tax ahead of the creation of an EU-wide digital services tax?

**Answer given by Mr Moscovici on behalf of the European Commission**
*(18 July 2018)*

The Stability Programme does not provide sufficient information on the new tax on certain digital services to allow the Commission to assess it and its potential yield. In the projections of the Stability Programme, revenue from the new tax will help to finance only part of the increase in pensions in 2018 and 2019.

As a comparison, the proposed EU tax on certain digital services is expected to give an EU-wide yearly revenue of EUR 5 billion, although estimates for individual Member States are more difficult to obtain as they depend on their users' take-up of the targeted digital services.

The Commission thinks that any decision to change, albeit on a temporary basis, the parameters of the pension system should be taken with due consideration not only of its budgetary impact in the short term, but also of its sustainability in the longer term.

The Commission would like to stress that the introduction of new taxes is mainly for Member States to decide, within the limits of existing Union legislation. This also holds for taxing the digital economy.

However, to avoid that such taxes contribute to fragmenting the Single Market and distorting competition ([1]), the Commission recently proposed a harmonised approach for an interim solution at EU level ([2]) (the new tax on certain digital services). The proposal is being discussed by the Council.

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([1]) COM(2018) 146 final.
([2]) COM(2018) 148 final.