Question for written answer E-003173/2017
to the Commission
Rule 130
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Subject: The Basque economic agreement as an obstacle to European tax harmonisation

The tax system in the Basque Country and Navarre – known as the ‘economic agreement’ – is different to that of the other autonomous communities in Spain. The Basque Country and Navarre regulate and collect their taxes and transfer a share to the State for the services it provides in the areas concerned.

Negotiations are conducted to establish that share, which this year alone will cost the State EUR 444 million, following the agreement reached between the Spanish Government and the Basque Nationalist Party, and as a reward for endorsing Spain’s state budget, thereby establishing a form of special treatment with regard to financing.

This unusual tax system (no other region in Europe has similar regulatory powers in relation to taxation) is at odds with the Commission’s efforts to move towards fiscal harmonisation, as it has already proposed in the area of corporate taxation.

In the light of the foregoing:

1. Does the Commission take the view that the bespoke tax system in the Basque Country and Navarre is an obstacle to the development of fiscal harmonisation, and, hypothetically, to the establishment of a European common treasury?

2. Bearing in mind that the general rate of corporate tax in the Basque Country (28%) is not the same as it is in the rest of Spain (25%), how does the ‘economic agreement’ fit in with the plans the Commission has proposed with a view to harmonising corporate taxation?