



*Committee on Budgets
The Chair*

29.6.2023

Ms Isabel Benjumea Benjumea, rapporteur
Mr Paul Tang, Chair of the FISC subcommittee
Ms Irene Tinagli, Chair of the ECON Committee

Subject: Opinion on further reform of corporate taxation rules (2022/2146(INI))

Dear rapporteur, dear Chairs,

Under the procedure referred to above, the Committee on Budgets' Coordinators decided at their meeting of 26 October 2022 to adopt an opinion under the Rule 56 in the form of a letter covering the own initiative report on Further reform of corporate taxation rules. Therefore, as BUDG Chair, and together with José Manuel Fernandes and Valérie Hayer, standing co-Rapporteurs for Own Resources, we hereby provide you with the BUDG contribution in the form of resolution paragraphs, which was adopted by BUDG at its meeting of 29 June 2023 and which I kindly request will be taken into account by your committee:

1. Recalls that the EP has already and at various occasions, including in the recently adopted resolution on Own resources: a new start for EU finances, a new start for Europe¹, expressed support for new own resources linked to corporate taxation such as the common consolidated corporate tax base (CCCTB), digital services tax and, most recently, for the 'Pillar One'-based own resource in the context of the OECD inclusive framework on BEPS, given also their high revenue potential; recalls furthermore, its call for a Union-wide Financial Transaction Tax (FTT) and for exploring possibilities in the areas of corporate share buy-backs and a common and standardised withholding tax framework;
2. Highlights that well-designed new own resources based on corporate taxes can be fully compatible with the objective of a simplified tax regime, can promote fiscal justice and are instrumental for the further harmonisation of tax rules and accounting principles within the EU single market; calls on the Commission to identify synergies between tax rules modernisation and potential tax-based own resources; insists that the allocation of a pre-defined share of corporate tax-base or -income for

¹ European Parliament resolution of 10 May 2023 on own resources: a new start for EU finances, a new start for Europe

the financing of the EU budget has no impact on the administrative burden of companies;

3. Looks forward to the Commission's upcoming BEFIT initiative; highlights that the proposal would constitute an excellent starting point for a new own resource as foreseen by the roadmap in the IIA of 16 December 2020; recognises that BEFIT could have an important role in addressing issues of national differences in corporate taxation; stresses that the BEFIT framework should be designed in a way which allows for the establishment of a meaningful and stable own resource;
4. Considers that, in the absence of a fully-fledged harmonised tax base, a corporate sector statistics-based national contribution to the EU budget could be established as a transitional solution until the OECD or the BEFIT legislation is in force; holds that such an own resource, coherently conceived, should incentivize Member States to accelerate negotiations on BEFIT;
5. Reiterates its call on the Member States to adopt the new own resources meant to cover the repayment of NGEU borrowing costs and to sufficiently fund its policies and priorities as soon as possible.

Yours sincerely,



Johan Van Overtveldt,
Chair of the Committee on Budgets



José Manuel Fernandes,
standing Co-rapporteur on Own Resources



Valérie Hayer,
standing Co-rapporteur on Own Resources