

EN
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Answer given by Mr Gentiloni
on behalf of the European Commission
(5.8.2020)

The Commission has tabled a reform of the EU own resources system and is exploring potential new options for the next budget cycle¹. The objective is to combine securing additional financial resources with overarching EU policy objectives, to engender maximum support across Member States. As reiterated at the special meeting of the European Council² (EUCO) on 17-21 July 2020, among the options under consideration for a new own resource are, inter alia: a digital levy; an own resource based on the Emissions Trading System, including its possible extension to the maritime and other sectors; a carbon border adjustment mechanism and potentially other own resources, which may include a Financial Transaction Tax. In the EUCO conclusions, the Commission was called to put forward proposals for a carbon border adjustment mechanism and a digital levy in the first semester of 2021. A proposal for the revision of the Emissions Trading System is also expected (including its possible extension to the maritime and other sectors), as well as possible further proposals for new own resources.

As the Honourable Member rightly points out, any proposal under Article 116 of the Treaty on the functioning of the EU (TFEU) would require that a distortion of competition resulting from the laws or rules in one or more Member States, be identified and addressed. That provision cannot be used for harmonisation purposes. These constraints limit significantly the choice that can be made as regards the issue to be addressed by use of this specific legal basis. The Commission will explore how to make full use of the provisions of the TFEU that allow proposals on taxation to be adopted by ordinary legislative procedure.

¹ https://ec.europa.eu/info/publications/mff-legislation_en

See also: https://ec.europa.eu/info/strategy/eu-budget/eu-long-term-budget/2021-2027_en

² The conclusions of the EUCO can be found here: <https://www.consilium.europa.eu/media/45109/210720-euco-final-conclusions-en.pdf>