

**Question for written answer E-003990/2020
to the Commission**
Rule 138
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Subject: Respect for Member States' tax sovereignty

The idea that despite the devastating impact of the pandemic, everything will go back to how it was before is likely to prove unrealistic, given the exponential increase in debt. Valdis Dombrovskis, Vice-President of the Commission, in whose eyes the Stability and Growth Pact has just been put on hold, could well be disappointed.

Niels Thygesen, the Chair of the European Fiscal Board, is of the view that new rules will be needed that assign each Member State specific debt capacity based on the state of each one's national economy.

Creating EU fiscal capacity in this context represents a dangerous change to the prevailing model under which monetary policy is centralised while tax policy is decentralised.

With an EU budget based on own resources, the Commission will be able to set out its policy priorities and use them to impose conditions on Member States' performances, forcing them to follow national goals set in advance by Brussels, on the lines of the American 'grants-in-aid' financial model.

Bearing in mind the fact that the right to impose taxes is a Member State competence, how will the Commission respect their sovereignty in this field?