

EUROPEAN PARLIAMENT

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2009

Committee on Legal Affairs

2007/2144(INI)

20.11.2007

OPINION

of the Committee on Legal Affairs

for the Committee on Economic and Monetary Affairs

on the tax treatment of losses in cross-border situations
(2007/2144(INI))

Draftsman: Giuseppe Gargani

PA_NonLeg

SUGGESTIONS

The Committee on Legal Affairs calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Expresses its gravest concern over the negative impact that the different treatment of cross-border losses by Member States has on the functioning of the internal market;
2. Takes the view that targeted action at European level in respect of tax deductions of cross-border losses could be of greater benefit to the functioning of the internal market;
3. Considers that action in favour of groups of companies which do business in several Member States should be a priority, as it is precisely those groups that suffer from different treatment with regard to cross-border losses, compared to groups of companies which do business in only one Member State;
4. Takes the view, in particular, that the distortions arising from the differences between national systems penalise above all small and medium-sized companies in comparison with their potential competitors, and therefore asks the Commission to adopt specific measures in this area;
5. Proposes that, among the alternative measures it has proposed, the Commission give priority to temporary loss transfer (the so-called deduction/reintegration method) and that, to that end, it embark on an in-depth analysis of the possibilities afforded by that measure;
6. Calls on the Commission, nevertheless, also to explore other courses of action, especially with a view to introducing a common consolidated corporate tax base, which would help most of all to tackle the difficulties which arise in relation to cross-border losses.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	20.11.2007
Result of final vote	+ : 24 - : 0 0 : 0
Members present for the final vote	Carlo Casini, Bert Doorn, Cristian Dumitrescu, Monica Frassoni, Lidia Joanna Geringer de Oedenberg, Neena Gill, Othmar Karas, Piia-Noora Kauppi, Klaus-Heiner Lehne, Katalin Lévai, Antonio López-Istúriz White, Hans-Peter Mayer, Manuel Medina Ortega, Aloyzas Sakalas, Diana Wallis, Tadeusz Zwiefka
Substitute(s) present for the final vote	Mogens N.J. Camre, Charlotte Cederschiöld, Vicente Miguel Garcés Ramón, Luis de Grandes Pascual, Kurt Lechner, Eva Lichtenberger, Marie Panayotopoulos-Cassiotou, Gabriele Stauner
Substitute(s) under Rule 178(2) present for the final vote	Toine Manders, Tomáš Zatloukal