

WRITTEN QUESTION P-3075/02

by Ulpu Iivari (PSE)

to the Council

Subject: Double taxation of orchestras

Under Community legislation and in particular Article 49 of the EC Treaty, Member States are forbidden to restrict the freedom to provide services by means of double taxation. Avanti!, a Finnish chamber orchestra financed mainly by public funds, was subjected to double taxation in Germany, in the Land of Schleswig-Holstein, when it performed at the Schleswig-Holstein music festival in August 2001. It had to pay tax to the Land on its appearance fees, even though, in accordance with the taxation agreement between Germany and Finland, it produced evidence supplied by the Finnish authorities to the effect that its activities were subsidised, the tour that it was making had been publicly funded, and it functioned as an employer, in other words it paid the musicians' wages, from which it deducted tax, and was responsible for the employer's contributions. The orchestra has already been in correspondence with the Land tax authorities about the double taxation for nearly two years, and there is no end in sight.

Does the Council consider that cases of this kind impede the operation of the internal market? What will it do to improve its operation and specifically to tackle the problems linked to double taxation?