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## Parliament calls for corporate tax makeover

**Parliament sets out its ideas on how to make corporate taxes fairer across Europe in a resolution voted on Wednesday.**

**MEPs urge EU member states to agree on mandatory country-by-country reporting by multinationals of profits and taxes, a common consolidated corporate tax base, common definitions for tax terms and more transparency and accountability with regard to their – so far secret - national tax “rulings” for companies.**

The resolution drafted by Elisa Ferreira (S&D, PT) and Michael Theurer (ALDE, DE) was passed by 508 votes to 108, with 85 abstentions.

MEPs believe that multinational companies should pay their taxes where they make their profits. They feel that today’s corporate tax competition – prompting aggressive tax planning and evasion, without any agreed framework - is harmful. Apart from the loss of public income, they consider it unfair that big companies pay hardly any taxes on their profits, whereas citizens and small and medium-sized firms have to pay their full share.

### **Country-by-country reporting, Common Consolidated Corporate Tax Base**

Parliament recommends introducing mandatory country-by-country reporting by multinational companies of financial data, including profits made, taxes paid and subsidies received. It also advocates introducing clear definitions of “economic substance” and other determining factors of corporate tax bills.

Common agreement is also needed on what is allowed in terms of tax rulings and advanced “transfer pricing agreements” (how transactions are valued within the same company). The best way to achieve this and put an end to preferential regimes, mismatches between national tax systems and also most of the issues leading to tax base erosion at European level is a compulsory EU-wide common consolidated corporate tax base ([CCCTB](#)), which should be introduced as soon as possible, they say.

### **Transparency**

MEPs urge EU member states to systematically share their national rulings and other tax information that has an impact on other member states. They **insist** that the European Commission should also receive this information, to enable it to play its proper role as competition watchdog to the full, as it did in the [Starbucks and Fiat](#) cases.

### **Better protection for whistle-blowers**

Whistle-blowers whose revelations promote the public interest should be better protected, says the text, noting that the “Luxleaks” revelations were made by investigative journalists, based on information provided by former “Big Four” employee, Antoine Deltour, who now faces court charges in Luxembourg.

**Procedure:** non-legislative resolution

### **Further information**

[Adopted text will be available here \(click on 25.11.2015\)](#)

[Video recording of debate \(click on 24.11.2015\)](#)

[Video of the press conference \(click on 25.11.2015\)](#)

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### **Political groups**

[Press release by the EPP group](#)

[Press release by the S&D group](#)

[News pages of the ECR group](#)

[Press release by the ALDE group](#)

[Press release by the GUE/NGL group](#)

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**Tax rulings: Multinationals take up 'last chance invitation'**

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