



TAE Rejects Own European Union Tax

The European taxpayer organization, the Taxpayers Association of Europe, rejects the proposal of the European Convention, to finance the European Union budget exclusively from own resources – with the inherent danger of creating an own European Union tax. Instead of this, the existing financing system should be kept. The existing financing system, with the upper limit at a value of 1,27 per cent of the Gross National Product of the European Union, ensures household discipline and planning security.

Each new European Union tax will be, in contrast to all promises from the political side, an additional one, states TAE's president Rolf von Hohenhau. At the same time there would exist a danger of an increase of European taxes in general and the taxpayers of Europe, who are already heavily burdened with duties and taxes would be exposed to further financial strains. A new European Union Constitution must not have the purpose to cut the rights of European taxpayers and to usurp decision making authority on all politics fields.

The current suggestion of the European Convention, which disregards the interests of European citizens, is the attempt of some larger member countries to shift their national financial problems to Brussels and to enforce their own interests at the expense of the smaller member countries.

In this context the Taxpayers Association of Europe points out the fact that the European Union Treaty does not provide a harmonization of the direct taxes. The TAE refuses the initiative of some countries for the harmonization of tax rates, particularly in the range of corporate income taxes. The success of those countries, which have lowered their taxes and thereby generated their economic growth, speaks for itself. Below the line it can be claimed that tax competition among the member states creates good basic conditions for investments and growth, and leads to more revenues, which has the reduction of burdens for the citizens as a result.

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