

Petition

Against the efforts of the European Commission to create a Common Consolidated Corporate Tax Base (CCCTB)

On 4 April 2006, the European Commission issued a Communication to the Council, the European Parliament and the European Economic and Social Committee on Implementing the Community Lisbon Programme on the “Progress to date and next steps towards a Common Consolidated Corporate Tax Base (CCCTB).” The Communication has a dual purpose “of reporting on progress to date and of drawing attention to those areas where further political support and direction is desirable without seeking commitments from member states to the legislative proposal.”

The Communication asks for political support and direction from member states for: involvement of member states and the Commission in further development of the CCCTB without making premature or final commitment to the CCCTB; readiness of all member states to make changes in their tax regulations; establishment of no formal link between the CCCTB and corresponding international accounting standards; and introduction of the CCCTB as an option for companies.

The signatories, as independent European economic research institutes who share the ideal of an open economy based on a freely functioning market for the European Union and Europe as a whole, are deeply concerned with the efforts to promote tax harmonization in general and challenge the idea of the CCCTB for the following reasons:

- the CCCTB will not help to achieve the aimed-at objectives of ensuring a smooth functioning of the common market, reducing the administrative burden or building transparency of tax rules;
- the CCCTB will serve, and is already serving, as the first step towards a uniform tax policy in the European Union, which will undermine tax competition inside the European Union and weaken the region’s competitiveness in the global economy;
- the CCCTB will render the corporate tax base even more complicated and, possibly, even more distinct from the international accounting standards, while, if being optional, it would only increase the number of standards within the EU;
- the CCCTB will create enormous tax-compliance costs to business, especially small- and medium-sized enterprises.

Given that the benefits of the CCCTB are questionable and the shortcomings are obvious, the signatories call on the European community to undertake the following action:

1. EU member states should oppose the initiative towards the harmonisation of the corporate tax base and further moves aimed at creating a tax cartel among EU member states.
2. High-tax EU member states advocating tax harmonisation should move their own tax systems closer to those competitive tax regimes that bolster economic growth.
3. The business community should bear in mind that harmonisation of the corporate tax base would not tackle, and would not even build preconditions to tackle, the defects of corporate taxes existing in national laws (which abound in all member states), but would inflict new administrative costs instead. Therefore, the business community should not endorse the idea of harmonising the corporate tax base, but should use this opportunity to call on their national governments to eradicate the deficiencies of national corporate taxes. The business community should also announce publicly its position on the harmonisation of the corporate tax base.

Signatories:

Remigijus Šimašius - **Lithuanian Free Market Institute**, Vice-President, Lithuania

Barbara Kolm-Lamprecht - **Hayek Institute**, Secretary General, Austria

Alberto Mingardi - **Istituto Bruno Leoni**, Director, Italy

Pierre Bessard - **Institut Constant de Rebecque**, Executive Director, Switzerland

Johnny Munkhammar - **Timbro**, Programme Director, Sweden

Matthew Elliott - **The TaxPayers' Alliance**, Chief Executive, United Kingdom

Krassen Stanchev - **The Institute for Market Economics**, Executive Director, Bulgaria

Chresten Anderson - **Copenhagen Institute**, Director, Denmark

Peter Gonda - **Conservative Institute of M.R. Stefanik**, Economic Analyst, Slovakia

Tomasz Zylicz - **Warsaw University Faculty of Economics**, Dean, Poland

Oliver Knipping - **The Institute for Free Enterprise**, President, Germany

Neil O'Brien - **Open Europe**, Director, United Kingdom

Detmar Doering - **Liberales Institut der Friedrich-Naumann-Stiftung**, Director, Germany

Rahim Taghizadegan - **Liberty ideas**, President, Austria

Cécile Philippe - **Institut Economique Molinari**, Director General, Belgium

Andrzej Sadowski - **The Adam Smith Research Centre Warsaw**, Vice-President, Poland

Andrzej Kondratowicz - **R. Kudlinski OLYMPUS University**, Deputy Rector, Poland

Gorka Echevarría - **The Instituto Juan de Mariana**, Fiscal Policy Director, Spain

Javier Alonso Gutiérrez - **Asociación Madrileña de Consumidores y Contribuyentes**, President,
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Jiri Schwarz jr. - **Liberalni institut**, Academic Advisory Board Member, Slovakia

Pierre Garello - **IES-Europe**, Director, France