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FOURTEENTH LEGISLATURE

Recorded at the Presidency of the National Assembly on 15 February 2017

MOTION FOR A EUROPEAN RESOLUTION

On the proposal for a common consolidated corporate tax base (CCCTB),

(Committed to the finance, general economy and budgetary control committee, failing the appointment of a special committee in the time period set down by Articles 30 and 31 of the Rules of Procedure)

TABLED,

ON BEHALF OF THE EUROPEAN AFFAIRS COMMITTEE,

BY Ms ISABELLE BRUNEAU,

Rapporteur,

MOTION FOR A EUROPEAN RESOLUTION

Single article

The National Assembly,

In the light of Article 88-4 of the Constitution,

In the light of the Treaty on European Union,

In the light of the Treaty on the functioning of the European Union,

In the light of the communication from the Commission to the Council, the European Parliament and the Economic and Social Committee of 23 October 2001, Towards an Internal Market without tax obstacles – A strategy for providing companies with a consolidated corporate tax base for their EU-wide activities (COM(2001) 582 final,

In the light of the proposal for a Council directive of 16 March 2011 on a Common Consolidated Corporate Tax Base (CCCTB), COM(2011) 121 final,

In the light of the communication from the Commission to the European Parliament and the Council of 25 October 2016, Building a fair, competitive and stable corporate tax system for the EU, COM(2016) 682 final,

In the light of the proposal for a Council directive of 25 October 2016 for a common corporate tax base, COM(2016) 685 final,

In the light of the Council directive of 25 October 2016 on a Common Consolidated Corporate Tax Base (CCCTB), COM(2016) 683 final,

In the light of the European resolution of the National Assembly no. 788 of 6 July 2016 on the European Commission's anti-tax avoidance package,

Considering that while the proper functioning of the internal market is based on free competition, the latter cannot impede the underlying principle of fair cooperation between the Member States;

Considering that tax competition across Europe and the national policies implemented by Member States to make their territories attractive have led to a tendency for the average corporate taxation level to fall;

Considering that the differences between national legislations introduce particular complexity and significant compliance costs for the economic players carrying on their activities in the internal market;

Considering that the asymmetries between national tax systems sustain aggressive tax optimisation and planning strategies which jeopardise the proper functioning of the internal market;

Considering that taxation is an exclusive competence of the Member States and that action by the European Union in this field aims at achieving the approximation of legislation having a direct impact on the establishment or functioning of the internal market;

Considering that while it should be ensured that intervention by the European Union in tax matters complies with the principles of subsidiarity and proportionality, these principles should not however impede the process of harmonisation of national legislation as regards direct taxation;

Considering that the introduction of a common consolidated corporate tax base (CCCTB) is an ambitious project that would present considerable advantages for European taxpayers and that harmonisation of the calculation conditions of taxable profits would contribute, by sending a strong political signal, to further deepening the internal market; that the CCCTB should also allow greater efficacy in combating tax evasion and optimisation, by limiting especially the preferential regimes, which States can grant to some taxpayers, and also transfer pricing;

Considering that some national parliaments have already expressed their opposition in principle to the introduction of a CCCTB; that, therefore, the negotiations which will start on each of the two proposals for directives, will no doubt be difficult and require a strong political impetus on the part of the Member States;

Re the relaunching of the CCCTB project

Supports unreservedly the project to introduce a common consolidated corporate tax base in the European Union and considers that, at a future date, discussions should be started on the opportunity and the methods for framing corporate tax rates, along the lines of what exists for valued added tax;

Hails the general structure of the project presented by the European Commission and also the pragmatic process it favours by providing for a staged approach aimed at establishing, in a first stage, a common corporate tax base and defining, in a second stage, the methods for consolidating it;

Insists on the need to consider the project as a whole and not to stop at the sole setting in place of a common base; recalls, in this respect, that the expected benefits from the CCCTB will not reveal all their effects until after consolidation;

Considers that the French authorities must continue to play a lead role in this matter;

Re the mechanism proposed by the European Commission

Acknowledges that, to date, the mechanism proposed by the European Commission is surrounded by certain uncertainties; invites therefore the European Commission and the Member States to undertake, or pursue, the technical work to clarify the effects associated with the implementation of a CCCTB, both for companies and for tax administrations;

Hails the progress, with respect to the 2011 proposal, represented by the mandatory nature of the CCCTB for the largest companies; recalls that the threshold proposed by the European Commission is consistent with that chosen in its work by the Organisation for Economic Cooperation and Development (OECD) and is also consistent with the work carried out, as an

extension to the OECD's, in the European Union as regards the fight against tax evasion and optimisation;

Raises questions however about the importance of threshold effects which are difficult to assess and may foster a feeling of injustice and distorted competition; feels, therefore, that a discussion could be started to consider a mandatory application of the CCCTB regime for all European taxpayers;

Invites the European Commission to specify the interpretation it intends to give to the directive as to the compatibility of super-deduction for research and development activities with national schemes supporting innovation and research;

Considers that the compatibility of the research tax credit (CIR) with the European mechanism does not pose on the face of it any technical difficulties, but that the conditions and provisions of their coexistence will have to be clarified by taking into account in particular the goals pursued by each of the mechanisms, the attachment of French players to the CIR and equality of treatment between companies benefiting, where applicable, from complementary measures supporting research;

Hails the European Commission's desire to scrap, with the introduction of the allowance for growth and investment (AGI), the 'debt-bias in taxation' which currently exists, given the differences in tax treatment for debt financing, on the one hand, and equity financing, on the other hand; considers however that in-depth analyses need to be made to assess more precisely the medium to long term effects of such a mechanism, especially with reference to its effects on corporate tax yield;

Emphasises that the rules proposed as to the limit on the deductibility of interest present a procyclical character that limits their relevance;

Invites the European Commission and the Member States to improve the assessments made with reference to the consequences for companies resulting from the adoption of amortisation rules as well as from the criteria proposed with a view to consolidation of the tax base;

Re the context of the negotiations

Expresses concern over the hesitations expressed by some national parliaments as to the CCCTB project and calls on the competent authorities of the Member States of the European Union to demonstrate a strong political determination and desire in the negotiations in order to bring this project to a successful conclusion;

Considers that the interest, for European economic players as a whole, represented by the introduction of a CCCTB requires action by the European Union as a whole and that the implementation of enhanced cooperation in this matter would not allow the pursued goals to be reached in a fully satisfactory manner.