# Gender equality and taxation policies in the EU

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The Committees on Economic and Monetary Affairs and on Women's Rights and Gender Equality adopted the own-initiative report by Marisa MATIAS (GUE-NGL, PT) and Ernest URTASUN (Greens-EFA, ES) on gender equality and taxation policies in the EU.

The Committees called on the Commission to support gender equality in all taxation policies and to issue specific guidelines and recommendations to Member States and to ensure that no new initiatives that increase market or after-tax income gender gaps or that reinforce the male breadwinner model are introduced.

They called on the Commission:

- to be explicitly mandated to cooperate with the European Institute for Gender Equality (EIGE) to monitor and regularly report on the impact of Member States' taxation policies on gender equality and to increase the EIGE's resources for this purpose;
- to promote EU ratification of the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW).

They called on the Commission and the Member States to ensure that EU legislation against indirect and direct gender discrimination is properly implemented and its progress systematically monitored.

**Direct taxation**

*Personal income taxation*

Members underlined the negative consequences of failing to incentivise women's employment and their economic independence. They drew attention to the high gender pension gap resulting from joint taxation.

They urged Member States:

- to phase in individual taxation while ensuring full preservation of all financial and other benefits linked to parenthood in current joint taxation systems;
- to step up their efforts to tackle the gender pay gap effectively in order to improve the economic situation of women and safeguard their economic independence;
- to ensure that tax incentives related to employment and self-employment do not discriminate on the basis of gender and to consider tax incentives and other fiscal benefits or services for second earners and single parents;
- not to reduce the progressive nature of their personal income tax systems, for example by attempting to simplify personal income taxation;

The Committees noted that in some Member States private tax relief on pensions benefits high earners and men disproportionately and that a universal pension system which gives women equal access to a comprehensive pension guarantee is the best way to support gender equality in older age.

*Corporate taxation*

Members noted that a common and just minimum corporate tax rate is the only way to create equal and fair treatment between different subjects doing business in the EU, and within the larger community of tax subjects.

They called on the Member States to:

- finalise the negotiations and introduce the common consolidated corporate tax base;
- introduce a minimum corporate tax rate at EU level to end the race to the bottom;
- rationalise the tax incentives or breaks they give to corporations to ensure that these advantages mostly benefit small enterprises and favour real innovation;
- assess the potential impact of these incentives on gender equality.

The Committees called for the countries identified for their aggressive tax planning provisions to amend their legislation and close these provisions as soon as possible.

*Taxation of capital and wealth*

Members noted that the reduction in capital gains and property taxes primarily benefits men, as they are more likely to control such resources. They called on the Member States to:

- enhance tax policies to improve the availability and accessibility of affordable, high-quality childcare services, through tax incentives to reduce the obstacles for women to taking up paid employment, and thus minimise gender pay and pension gaps;
- eliminate gender gaps in wealth across the EU in terms of financial assets, property ownership, business assets, insurance entitlements, pension savings and stock options;

**Indirect taxation**

Members noted that VAT exerts a gender bias because of women's consumption patterns as they purchase more goods and services with the aim of promoting health, education and nutrition than men do. They called on the Member States to provide for VAT exemptions, reduced rates and zero-rates for products and services with positive social, health and/or environmental effects, in line with the ongoing revision of the EU VAT Directive.

**Impact of tax evasion and avoidance on gender equality**

Members noted that tax evasion and tax avoidance are major contributors to gender inequality as they limit the resources available to increase equality at national and international level.

They called for the creation of a UN body to ensure that all countries can participate in the formulation and reform of global tax policies. This would be mandated to review national, regional and global tax policy in accordance with gender equality and human rights obligations.

**Gender mainstreaming in tax policies**

Members called on the Commission and the Member States to carry out regular gender impact assessments of fiscal policies from a gender equality perspective.

They called on the Member States to:

- share best practices on the design of their labour markets and taxation systems to help reduce gender pay and pensions gaps;
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- collect tax data on an individual basis and not only on a household basis, and to close the gender data gaps on consumption patterns and the use of reduced rates, on the distribution of entrepreneurial income and related tax payments and on the distribution of net wealth, capital income and related tax payments.