Development of tax systems within the Union

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The Committee welcomes the Commission's approach of looking at the tax system as a whole, as discussing each major type of tax separately automatically implies far-reaching changes in the financing structure both of the public sector and private households. The tax discussion should thus be comprehensive. The further harmonization of the internal market progresses, the more clearly differences in tax systems are felt and the more relevant they become for the decisions of economic operators. The basic principle here is that minimum harmonization of taxes and tax bases is needed most where the tax base is at its most mobile, i.e. in relation to income from capital such as interest and dividends. By limiting tax fraud a contribution can be made to financing a reduction of pressure on labour in those states which are the source of savings and thus the basis for the taxation of interest. The Committee endorses the Commission's strategy for the future and recommends that the Commission make use of Article 101 of the EC Treaty so that strategies to block progress on EU-wide tax-policy coordination can be countered.