Savings, taxation: minimum of savings income in the form of interest payments within the Community

1998/0193(CNS) - 10/02/1999 - Text adopted by Parliament, 1st reading/single reading

The proposal for a Council Directive to ensure a minimum of effective taxation of savings income in the form of interest payments within the Community was approved by the European Parliament, subject to amendments in the following areas: - stressing that a regulation of this kind must include third countries; - presenting the proposed directive as part of a more general package of measures aimed at fighting harmful tax competition in the internal market; - providing that the minimum tax rate on savings must apply to interest received by physical persons either directly or indirectly through undertakings for collective investment in transferable securities (Ucits); - pointing out that under international tax agreements, only in exceptional circumstances will the withholding tax applied by the source State to interest paid to a non-resident exceed 15%; - giving priority in reaching agreement with third countries to those neighbouring countries which grant non-residents a particularly favourable tax treatment, liable to undermine the effectiveness of the proposed directive, before extending it to at least all other OECD member countries; - indicating the need to take additional steps to harmonise taxation of capital gains; - providing that, in the event of repurchase before maturity by a person not subject to the proposed directive, the repurchase price shall replace value at redemption. The rapporteur was Fernando Pérez Royo (PSE,ES).