Company taxation: parent companies and subsidiaries of different Member States, common system (amend. Directive 90/435/EEC)

2003/0179(CNS) - 16/12/2003 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Othmar KARAS (EPP-ED, A) making some amendments: - most Member States do not apply any domestic threshold at all or a very low threshold for the tax treatment of inter company dividends, and in order to bring cross-border cases, as covered by Directive 90/435/EEC, more in line with the treatment of domestic groups, the threshold of the shareholding for one company to be considered a parent and the other as its subsidiary should be lowered from 25% to 5%(rather than 10%); - a parent company must have, inter alia, a minimum holding of 5% (rather than 10%); - where the parent company provides evidence that the real management costs incurred that are to be considered non-deductible are lower than the flat-rate amount, the non-deductible amount may not exceed the real costs; - cooperatives incorporated under Council Regulation 1435/2003/EC are added to the annex.