Basic information

2018/2095(INI) INI - Own-initiative procedure	Procedure completed
Gender equality and taxation policies in the EU **Subject** 2.70 Taxation 4.10.04 Gender equality	

Key players

European Parliament

Joint committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	MATIAS Marisa (GUE/NGL)	27/06/2018
FEMM Women's Rights and Gender Equality	URTASUN Ernest (Verts/ALE)	27/06/2018
	Shadow rapporteur ZÁBORSKÁ Anna (PPE) HAYES Brian (PPE) BERÈS Pervenche (S&D) HONEYBALL Mary (S&D) GERICKE Arne (ECR) OŻÓG Stanisław (ECR) TREMOSA I BALCELLS Ramon (ALDE) MLINAR Angelika (ALDE) PIMENTA LOPES João (GUE/NGL)	

European Commission

Commission DG	Commissioner
Taxation and Customs Union	MOSCOVICI Pierre

Key events

Date	Event	Reference	Summary
14/06/2018	Committee referral announced in Parliament		
14/06/2018	Referral to joint committee announced in Parliament		

21/11/2018	Vote in committee		
29/11/2018	Committee report tabled for plenary	A8-0416/2018	Summary
14/01/2019	Debate in Parliament		
15/01/2019	Decision by Parliament	T8-0014/2019	Summary
15/01/2019	Results of vote in Parliament		
15/01/2019	End of procedure in Parliament		

Technical information	
Procedure reference	2018/2095(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 59 Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	CJ34/8/13632

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE623.839	06/09/2018	
Amendments tabled in committee		PE628.516	03/10/2018	
Committee report tabled for plenary, single reading		A8-0416/2018	29/11/2018	Summary
Text adopted by Parliament, single reading		T8-0014/2019	15/01/2019	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2019)355	28/05/2019	

Gender equality and taxation policies in the EU

2018/2095(INI) - 29/11/2018 - Committee report tabled for plenary, single reading

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;
- 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.

Gender equality and taxation policies in the EU

2018/2095(INI) - 15/01/2019 - Text adopted by Parliament, single reading

The European Parliament adopted by 313 votes to 276 with 88 abstentions a resolution on gender equality and taxation policies in the EU.

Parliament called on the Commission to support gender equality in all taxation policies and to issue specific guidelines and recommendations to Member States in order to eliminate tax-related gender biases and to ensure that no new tax, spending laws, programmes or practices that increase market or after-tax income gender gaps are established.

It 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.

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, and called for Member States and the Union institutions to promote studies on the effects of the gender gap on the pensions and financial independence of women, taking account of issues such as the ageing population, gender differences in health conditions, and life expectancy.

Parliament 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

Parliament noted that corporate tax rates have fallen dramatically since the 1980s, from above 40 % to 21.9 % in 2018, while in contrast, the rate of consumption taxes (of which VAT is a large component) has increased since 2009, reaching 20.6 % in 2016. It considered 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.

Members 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.

Parliament 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. Parliament was concerned that this, combined with women's lower income, leads to women bearing a larger VAT burden. It called on 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.

Parliament called for the promotion of gender-equal taxation reforms in all international fora, including the OECD and the UN, and support for the creation of a UN intergovernmental tax body with universal membership, equal voting rights and equal participation of women and men. It also urged Member States to mandate the Commission to **review existing double taxation treaties** so as to examine the issue of source taxation, and to ensure the inclusion of gender equality provisions in addition to general anti-abuse provisions.

Gender mainstreaming in tax policies

Parliament called on the Commission and the Member States to carry out regular gender impact assessments of fiscal policies from a gender equality perspective. It also underlined the need for further research and better collection of gender-disaggregated data are required as regards gender-differentiated distributional and allocative effects of the taxation system.

It 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;

- 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.