

Article – Tax committee chair: "Citizens demand action and this committee will be their voice"



What will Parliament's new committee on taxation – FISC – be focusing on?

We're at a critical stage. Governments are now – rightly – spending billions to save lives and livelihoods. But the debts incurred will have to be repaid. After the last crisis, we made the double mistake of austerity and increased taxes on the middle class. Only the richest remained out of shot. This time will have to be different. By looking at ways to tax those that are not paying their fair share – the richest and the big corporations – we can get out of this crisis in a fair way and maintain the trust of our citizens. Corporates alone avoid between €50 billion and €190 billion in tax each year. FISC will work to fight this injustice at the heart of our economic system. We will also work to make our tax system a force for sustainability. By using taxes to make polluters pay, we can stimulate innovation and clean up our environment.

Previously, tax committees in the Parliament have been inquiry committees, set up to look into topical scandals such as Lux Leaks and the Panama Papers. Why is it necessary to have a permanent committee?

Since I started in the European Parliament five years ago, we've had tax

committees almost permanently. However, after they published their report, they were dissolved only to be re-established after yet another tax scandal. With this permanent committee, we can continue the valuable work of the previous committees in terms of fact-finding and raising public awareness, but we can also look at the long-term. We can, for example, engage in lasting relationships with national parliaments and other international organisations. In this way, the FISC committee will truly become the European hub for debate on tax issues.

The EU doesn't have many competences in the area of taxation. What difference can your committee make?

As the previous taxation committees showed, much of what is going on can't stand the light of day. By simply pushing for transparency, laying facts in the open for everyone to see, we will further push the momentum for change. Citizens demand action, and this committee will be their voice in the European arena.

In recent years, there have been many revelations and leaks on global tax evasion, tax avoidance and money laundering. How do you think the EU has responded?

There has inevitably been a gap between the EU's approach to its members and to non-member states. The list of non-EU tax havens has been useful in putting pressure on well-known tax havens. It is far from perfect, as the recent de-listing of the Cayman Islands shows. It is, however, a start. For EU countries, on the other hand, pressure had to come primarily from the European Parliament. In March 2019, we labelled seven EU countries, including my home country of the Netherlands, as tax havens. This naming and shaming greatly helped shift the conversation in the Netherlands, with more and more of my compatriots accepting that tough reforms are needed. These seven EU tax havens cost the governments of other EU member states over €40 billion each year. We cannot let this continue and I trust that, in the context of the Recovery and Resilience Facility, pressure on these governments will grow. The Commission should be very clear: EU tax havens should reform their tax system, or their recovery and resilience plans will not be approved.