

## Article – Why is Parliament calling for new EU revenue-raising powers?



MEPs also insist on the abolition of all rebates.

### **What benefits would the own resources reform create?**

These new revenue sources would pay off the joint debt taken by EU countries to finance the Covid-19 recovery fund. Without new own resources, the borrowed recovery money would have to be paid back through further reductions to [EU programmes](#) and/or higher GNI-based contributions from EU countries. Parliament wants to ensure that the burden is not on the taxpayer, but on the tech giants, tax dodgers, big foreign polluters and others who do not currently pay their fair share.

The proposed own resources would also ensure that the EU's priorities – such as [the Green Deal](#) and the digital transformation – are better reflected in the financing of its budget. Additionally, they would support the functioning of the single market and reduce reliance on GNI-based national contributions.

## How are EU revenue sources decided?

Following consultation with the Parliament, the system of EU own resources is adopted by unanimity in the Council and must be ratified by all EU countries. Parliament approved its position on own resources [in a vote on 16 September 2020](#).

Negotiations between the Parliament and Council on the 2021-2027 budget [got underway in late August](#). Parliament will not give its consent to the new EU budget if there is no agreement on the reform of EU revenue sources. MEPs insist that the first new own resources enter into force as of 1 January 2021 and be complemented thereafter following a binding calendar.