[Press release – Parliament keeps up pressure to tax digital economy more fairly](#)

As international talks at OECD level on taxation systems for the digital economy entered a new phase in October, MEPs quizzed the Commission on its strategy on [Monday](#) and adopted a resolution on Wednesday with 479 votes in favour, 141 against and 69 abstentions.

If international negotiations fail, the EU should go it alone

In the resolution, MEPs express their concern that there is no common approach at EU level on the ongoing international negotiations and call on the Commission and member states to agree on a joint and ambitious EU position, while making their own positions publicly known. The Parliament supports Commission President Ursula von der Leyen's commitment to propose an EU solution, should an international deal not be reached by the end of 2020.

MEPs say that at international level, the EU's position should aim to ensure that the Single Market functions smoothly, notably by safeguarding a level playing field for all types of firms. They demand that firms pay a fair share of tax where the actual economic activity and value creation take place and that the income from taxes is fairly distributed across all the member states.

Background

Following the financial crisis, the G20 addressed tax evasion, tax avoidance and money laundering through the Base Erosion and Profit Shifting (BEPS) project, leading to the BEPS action plan. This action plan, however, did not address the detrimental practices existing in the digitalised economy and this led to further work being set up under BEPS in 2015 (BEPS Action 1

Report). In October and November 2019, the OECD launched two separate public consultations on the matter, aiming to find consensus on a way forward.

In 2018/2019, the EU came close to adopting its own set of rules (legislation on a digital services tax, and legislation defining a significant digital presence), however, the need for unanimity within the Council meant that a few member states were able to prevent a deal being reached.