

Germany is against the European tax

The German government has criticised the European Commission which on 9 August announced an initiative aimed at introducing a direct European tax. Germany, in common with the UK and France, argues that collecting taxes should remain the competence of EU member states. The main reason for the opposition to the European tax is however the willingness to profit from new sources of revenues to Germany's national budget.

According to the Financial Programming and Budget Commissioner Janusz Lewandowski, the new tax would bring additional revenues to the EU budget worth EUR 20-30 billion. The EU tax could take the form of a aviation fuel tax or a financial transaction tax. It is also possible to take hold of a portion of the VAT or the revenues from trading CO₂ emission auctions.

On the German political scene there is consensus about the rejection of the EU tax; only the influential German MEP Elmar Brok (EPL) supported the introduction of the tax. Firstly, Germany has been seeking to reduce its contribution to the EU budget for several years. This contribution is calculated on the basis of the GNI; at present Germany's share in the EU's own resources stands at 20%. Secondly, Germany does not want to hand over such an important element of the competences of the EU member states to the EU, even if it were to mean lessening the burden of national budgets. Germany also opposes the EU tax on political grounds; collecting direct taxes by the EU would lead to a further emancipation of its institution. The decisive factor is however that the German government intends to strengthen the federal budget using some of the above mentioned sources of revenues. As decisions of the Council of the EU regarding tax law must be taken unanimously, the chances of implementing the EU tax are slim. <krut>