



European Attac Network (E.A.N.)

From proposals to action:

AN ATTAC CAMPAIGN FOR A FAIR AND PROGRESSIVE TAX SYSTEM IN THE EU

The fight for democracy is also and above all a struggle to achieve a more fair society.

The context

After World War II, in the period that historians refer to as the 'Thirty Glorious Years' of capitalism (1945-1973), economic and social inequalities were considerably reduced in the industrialised countries of Western Europe and North America. Thanks to the application of Keynesian policies to stimulate demand and redistribute wealth, that period was characterised by the institutionalisation of the welfare state, the universalisation of health care and education, and the progressive creation of a social security system. Unfortunately, since the 1980s, the introduction of increasingly aggressive neo-liberal policies has led to a retreat from these achievements. One of the most obvious effects has been an alarming return to the concentration of wealth in a few hands. On a political level, the increase in economic inequality has resulted in a loss of confidence of the middle and working classes in the democratic system and an increase in support for populist or far-right movements.

Reducing inequality is fundamental to safeguard our democratic system. One of the levers to achieve this is to rely on a progressive and fair tax system.

Today, the progressivity and fairness of the tax system must not only be strenuously defended, but also and above all perfected, inspired by a clear criterion: reward and give priority labour income, penalise unproductive income and income from financial speculation.

Do you know that...

According to the latest report of the EU Tax Observatory - a research body linked to the Paris School of Economics and funded by the EU - in 2022 the financial wealth hidden in tax havens reached 12 trillion dollars on a global scale (12% of

planetary GDP). In addition, multinationals' profits transferred to corporate tax havens reached a record \$1 trillion. This is 35% of all profits made by large corporations.

Doesn't this outrage you?

→ <https://www.taxobservatory.eu/publication/global-tax-evasion-report-2024/>

Catch the momentum

Concerned about the now scandalous accumulation of wealth in the hands of the new 'masters of capitalism', represented by the technological, banking, financial and large utilities oligopolies, some governments have recently adopted one-off taxes, which are, however, more symbolic than true redistribution of wealth. In 2022, the Spanish government introduced a 'solidarity' tax on large assets: however, it will only apply in the period 2023-2024. Similarly, countries like Italy, Belgium, Sweden and Spain itself have created temporary taxes on extraordinary profits in the banking or energy sector. In October 2022, the European Union also approved a regulation for the introduction of a 'solidarity contribution' of 33% on the extra profits of the energy sector, but limited to the revenues of 2022.

In other cases, it did not go beyond proclamations and good intentions. During 2023, US President Joe Biden repeatedly proposed a minimum tax of 25% for multimillionaires, amiably inviting them to 'pay a little more tax'. Also last year, at the beginning of the presidency of the European Council, the president of the government Pedro Sánchez announced the approval of a European tax for the super-rich and multinationals as one of the priorities of the Spanish presidency.

Concrete initiatives have started from civil society, academia and the intellectual world. An example of this is the European citizens' initiative 'Tax the Rich' (<https://www.tax-the-rich.eu/>), which aims to collect one million signatures for the European Commission to present a legislative proposal to create a European tax on large fortunes, intended

to finance a fund to reduce the effects of climate change. Among the promoters of the initiative: the leader of the Belgian socialists, Paul Magnette; the French economist Thomas Piketty; the Secretary General of Oxfam Denmark, Lars Kock. At the same time, the European Tax Observatory proposes a global minimum tax of 2% on large fortunes.

In short, the political and social moment is propitious to galvanise a strong initiative for tax justice at European and global level.

Attac common proposals on taxation

On 2023 the European ATTAC Network agreed common proposals on European taxation that touches on various aspects of it: from an initial statement of the principles that should inspire and underpin a fair and equitable tax system, to proposals for measures to address challenges such as the transition towards a socially and ecologically sustainable economic model, the redistribution of wealth, the primacy of labour income over financial and speculative income, tax decentralisation and the path towards an increasingly transnational taxation.

→ <https://attac.es/download/propuesta-de-fiscalidad-europea-de-la-red-europea-de-attac-ean-julio-2023/>

We believe that the time has come to take a step forward and move from proposals to action. Therefore, we are launching a campaign to raise the awareness of European institutions and citizens for the creation of a fair and progressive tax system in the EU.

What do we propose?

We want to push the foundation of a tax system in the EU, based on 3 "flagship" taxes:

1. A European Tax on Financial Transactions («European Tobin Tax»), with a rate of 0.5% on the sale of shares, bonds and currencies and 0.1% on derivatives.
2. A European Large Fortune Tax, with progressive rates from 0.5 per cent to 20 per cent and an exemption band of up to 1 M€. This measure would be intended to finance the creation of a European climate fund.
3. A Minimum Tax on the Consolidated Profits of Multinational Enterprises, with rates between 20% and 40%.

These three taxes should form part of the European Union's own taxes. This would make it possible to move towards the progressive creation of a common European tax system and the creation of a European tax authority, as the germ of an international tax authority to counter speculation and tax evasion.

TYPE OF TAX	WHERE WE ARE	WHERE WE WANT TO GO
Financial Transaction Tax (FTT)	The FTT is currently applied in only 5 EU countries (France, Spain, Greece, Italy and Belgium) with uncoordinated criteria. In 2011, the attempt to adopt a common European Directive failed. In 2022, under the Portuguese presidency, the debate was resumed and the European Commission committed to have a proposal ready by June 2024 to apply the tax from 2026 on.	EU Directive establishing a Financial Transaction Tax (FTT) in all 27 Member States.
EU Tax on Large Fortunes	In October 2022, the EU approved Regulation 2022/1854, which established a «temporary solidarity tax» of at least 33% on the extra profits generated by companies in the energy sector. In some countries, such as Spain, a temporary solidarity tax on large fortunes is already in force.	EU Directive establishing an EU tax on large fortunes, aimed at the creation of a global climate fund.
EU Tax on Large Fortunes	An EU Directive was adopted in December 2022, which establishes a minimum tax rate of 15%. The Directive is pending transposition in each Member State, which must be completed by 31 December 2023.	EU Directive establishing a minimum tax on multinational companies' profits, higher than 15%, and establishing strict and clear criteria for its application.

The european election: an opportunity

The campaign will focus mainly on the first half of 2024. The choice is not random: we want to take advantage of the opportunity presented by the European elections in June to capture the attention of progressive political forces, other civil society organisations and the media. The campaign will be articulated both in actions at the national and European level.

One of the highlights will be the organisation of a workshop to present the objectives of the campaign during the first European event of ECSA (European Common Space for Alternatives: <https://spaceforalternatives.eu/>), a newly created European network of convergence and proposals between European civil society movements, created from the experience of the Social Forum. The event will be held in Marseille from 26 to 28 April.

What you can do

If you are an activist/citizen:

- Spread the campaign among you contacts and in your social media profiles;
 - Send this information to your movement, political party or to your national representatives in the European Parliament.

If you are a political representative:

- Promote this campaign in your political party;
- Support this campaign through your legislative initiatives

If you are a journalist:

- Disseminate and write about the campaign on your media

Who we are

Logos of organisations involved...

Follow & contact us!

Social media profiles...

Web page...

Contact e-mail...

