



*Committee on Budgets
The Chair*

29.01.2024

Ms Evelyn Regner, rapporteur
Mr Paul Tang, Chair of the FISC subcommittee
Ms Irene Tinagli, Chair of the ECON Committee

Subject: Opinion on Business in Europe: Framework for Income Taxation (BEFIT)
(2023/0321(CNS))

Dear rapporteur, dear Chairs,

Under the procedure referred to above, the Committee on Budgets' Coordinators decided at their meeting of 24 October 2023 to adopt an opinion under the Rule 56 in the form of a letter covering the report on Business in Europe: Framework for Income Taxation (BEFIT). Therefore, as BUDG Chair, and together with José Manuel Fernandes and Valérie Hayer, standing co-Rapporteurs for Own Resources, we hereby provide you with the BUDG contribution in the form of resolution paragraphs, which was adopted by BUDG at its meeting of 24 January 2024 and which I kindly request will be taken into account by your committee:

1. Recalls that businesses benefit from the Union single market, harmonized policies and regulatory framework; considers it fair that they contribute to the Union budget accordingly;
2. Considers that, in the absence of corporate taxation at EU level, the system of own resources, by mutualising a small share of the tax base, can serve as a limited but effective proxy mechanism to achieve certain desirable economic outcomes such as fiscal equality, tax justice, diversification and resilience of income sources and automatic stabilisation;
3. Recalls that the EP has in the past, and on several occasions, supported Commission initiatives for tax-based own resources such as the FTT, CCCTB, Digital Services Tax or OECD Pillar One approach; regrets that none of these initiatives has so far mustered the necessary support in Council to bring them into force;
4. Underlines that the IIA Roadmap explicitly foresees a new own resource linked to corporate taxation as part of a basket of new revenue sources; recalls that the EP has recently endorsed the Commission proposal for an own resource conceived as a

national contribution based on statistics about the gross operational surplus of companies in the financial and non-financial sectors; holds that such an own resource, coherently conceived, should incentivize Member States to accelerate negotiations and reach a swift agreement on BEFIT;

5. Highlights that the BEFIT initiative constitutes an excellent starting point for a new own resource as foreseen by the IIA roadmap; stresses that the BEFIT framework should and can be fully compatible with a genuine corporate tax-based own resource as well as with a statistics-based national contribution;
6. Reiterates its call on the Council to adopt without further delay the new own resources meant to cover the repayment of NGEU borrowing costs and to sufficiently fund the Union's policies and priorities, in line with the Interinstitutional Agreement of 16 December 2020.

Yours sincerely,

Johan Van Overtveldt,
Chair of the Committee on Budgets

José Manuel Fernandes,
Standing Co-rapporteur on Own Resources

Valérie Hayer,
Standing Co-rapporteur on Own Resources