

## ROADMAP

Roadmaps aim to inform citizens and stakeholders about the Commission's work in order to allow them to provide feedback and to participate effectively in future consultation activities. Citizens and stakeholders are in particular invited to provide views on the Commission's understanding of the problem and possible solutions and to make available any relevant information that they may have.

<b>TITLE OF THE INITIATIVE</b>	Recommendation to Improve the Situation of Taxpayers in the Single Market
<b>LEAD DG – RESPONSIBLE UNIT</b>	DG Taxation and Customs Union: C3 – Legal Affairs - Indirect Taxation and D2 – Direct Tax Policy & Cooperation
<b>LIKELY TYPE OF INITIATIVE</b>	Recommendation to the Member States
<b>INDICATIVE PLANNING</b>	Q3 2021
<b>ADDITIONAL INFORMATION</b>	-

This Roadmap is provided for information purposes only and its content might change. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by the Roadmap, including its timing, are subject to change.

### A. Context, Problem definition and Subsidiarity Check

#### Context

One of the six main ambitions of the von der Leyen Commission is “An economy that works for people”. This means allowing our economies to grow while ensuring that social fairness and welfare come first. In terms of Union tax policy, this notably translates into fair taxation where everybody pays his or her fair share. As part of the “Tax Action Plan - Communication for fair and simple taxation supporting the recovery”, the Commission announced that it will publish a Communication taking stock of taxpayers’ existing rights under EU law together with a Recommendation to Member States to facilitate the implementation of taxpayers’ rights and to simplify tax obligations. The Recommendation reflects on how Member States may accommodate their tax laws’ related procedures to better respect and make more effective such rights. The document also suggests how, if necessary, Member States can further coordinate them, in order to improve the relationship between taxpayers’ and tax administrations in an EU and the overall support to the recovery context.

#### Problem the initiative aims to tackle

There is a widely supported call from the European public for simplicity and fairness in the area of taxation. Unfortunately, the complexity of tax rules and procedures often leads too many taxpayers, in particular private individuals, self-employed and micro-enterprises, not making full use of the possibilities offered by their national legal framework to protect their interests.

The lacking knowledge and non-optimal use of existing taxpayers’ rights can have a negative effect on economic and business behaviour. When impacting taxpayers having cross-border activities or interests, this may hamper the good functioning and full potential of the single market.

Increasing awareness of taxpayers’ rights can help smoothen the relationship between taxpayers and tax administrations which is particularly important in the recovery context. It can also improve, as a natural consequence, tax compliance.

The Communication on Taxpayers Rights to which the planned Recommendation is linked, will address this shortcoming.

Improving the due respect of taxpayers’ rights and having EU rights respected may require further coordination of the national and international tax laws and procedure.

#### Basis for EU intervention (legal basis and subsidiarity check)

According to Article 17 of the Treaty on European Union (TEU) the Commission shall ensure the application of the Treaties, and of measures adopted by the institutions pursuant to them and oversee the application of Union law under the control of the Court of Justice of the European Union. Art. 292 TFEU provides for the possibility to issue recommendations. As guardian of the Treaties the Commission is best placed to recommend how to improve taxpayers’ rights under EU law in the Single Market.

## **B. What does the initiative aim to achieve and how**

This initiative aims at recommending Member States how relationship between taxpayers and tax administrations could be enhanced.

It will first, analyse the selected list of issues related to the rights under EU law identified by the Communication from the Commission to the European Parliament, Council and the EESC on Taxpayers' Rights in the Single Market. Second, it will reflect on possible ways to enhance the relationship between taxpayers and tax administrations, e.g. by identifying and promoting good administrative practices and removing obstacles. Thirdly, it will reflect on how to make a better use of such rights. Finally, it will observe on how, if and where necessary, to further improve the relationship between taxpayers' and tax administrations, for instance, by simplifying taxpayers' obligations in the direct tax area and by facilitating compliance with their obligations in the indirect tax area while improving legal certainty.

Enhancing such relationship at EU level would be mutually efficient for both Member States and taxpayers. For instance, better use of technological developments could result in a simpler, more effective and easier collection of taxes, also in cross-border situations, while achieving social fairness.

## **C. Better regulation**

### **Consultation of citizens and stakeholders**

Member States have already been informed on the project on a Communication on taxpayers' rights. The Communication and Recommendation are planned for adoption in Q3 2021.

An public consultation on the Recommendation will be launched end 2020 / beginning 2021. No further consultation is planned.

### **Evidence base and data collection**

The Recommendation will take into account the Communication on existing taxpayers' rights in the Single Market. It will be based on an extensive analysis of taxpayers' rights deriving from case law and secondary EU law and also input from previous initiatives on individuals' taxation, as for example from the Expert group reports on EU cross-border tax obstacles from 2016. Further input will be received by the public consultation. The initiative is not a legislative proposal amending existing legislation or introducing new legislation. Therefore, no impact assessment is envisaged.