Due to the increasing mobility of capital, tax rates on profits of corporate are under massive downward pressure in Europe. Low-tax jurisdictions such as Ireland, Luxembourg, the UK and Eastern European Member States have pursued competitive strategies, compelling all the European members to follow suit and to increasingly rely on tax revenues from less-mobile sources such as real property, consumption and labor. This report analyzes this tax competition and Multi-National Firms (MNFs) strategy that take advantage of tax rates and basis differentials. We survey case studies regarding the foregone tax revenue due to evasion and show that the amounts saved by firms are comparable to the contributions to the EU budget by countries like the UK, Ireland, the Netherlands or Luxembourg. We also estimate the revenue losses for the national governments of EU15 due to corporate tax avoidance through profit shifting under three scenarios considering different levels of ‘CIT efficiency’ to raise revenue for the year 2015. The 'intermediate' scenario predicts that the revenue losses for the EU governments due to corporate tax avoidance amount to approximately 98 billion €. After this description of the failure of the current system of taxation, this report analyzes alternative schemes such as the Common Consolidated Corporate Tax Base (CCCTB).
Durée :

10 mois