



RESOLUTION:

Pursue Low Taxation-Rate

Adopted at the YEPP Council, Bucharest, Romania on the 21st of May 2016

Recognising:

- That taxation income is fundamental to the states, in order to provide statutory duties such as civil security, public administration, healthcare, education and likewise responsibilities;
- That core elements of taxation on income and labour are a national responsibility of each Member State in the European Union. Member States can most effectively use their tax autonomy to strengthen their attraction. Above all, this national-focused concept fosters competition, which is to our understanding the most probable model to lower the general tax rate;
- That the tax structure of each Member State has a significant influence on the attraction and maintenance of born-global corporations, start-ups and Multinational Enterprises (MNEs) in the EU. As these business play a major role in generating labour, tax income and welfare, the EU and its Member States have to take concrete action in order to address their varied needs;
- That globalisation has given corporations great mobility. This implies that enterprises are no longer locally bound to satisfy their market demand. As a result, the EU as a whole faces strong economic competition with North America and Asia that should be countered with economic incentives;
- That the European Commission pushed for various economic programmes. Though, they were characterised by direct interventions such as subsidies rather than by indirect market stimulation.

Acknowledging:

- That effective supervising appliances like the Maastricht examinations generally address debt policy. However, there are no corresponding instruments that are geared towards a sustainable economic policy. In fact, the EU should widen its supervising portfolio by also going after Member States with high tax rates, in order to pave the way for entrepreneurship;
- That taxation with rates over 40% go far beyond from what is being recognised as a trigger for growth, prosperity and foreign direct investments.

Yepp Calls On:

- That core elements of taxation such as on income and labour shall remain a national competence of each Member State in the European Union;
- The EU Member States to reinforce the European Single Market. This shall mainly be achieved by a consequent low-tax policy characterised by an entrepreneur-friendly approach;
- The European Commission to implement an effective examination tool (similar to the Maastricht criteria), which is geared to lower the effective average tax-rate below 40%, in terms of GDP, in each of the Member States. Indeed, positive effects guarantee further competitiveness of the European single market in a globalised world;
- The European Commission to emphasise the necessity of a low-tax policy and to develop a long-term strategy together with the Member States on how to reduce the tax rate in each country.