

AMENDMENT FORM

Suggestion for amendment of Article : 38

By Members: Mr Andrew Duff, Mr Paul Helminger, Mr Peeter Kreitzberg, Mr Puiu Hasotti, Mr Zekeriya Akçam and Mr Eugenijus Maldeikis; **and Alternate Members:** Lord Robert MacLennan of Rogart, Mr Nesrin Uzun, Mr Marios Matsakis, Mrs Androula Vassiliou, Mr Istvan Szent-Ivanyi, Mr Péter Eckstein-Kovacs and Mr Ibrahim Ozal.

Status : Members and alternate members

Article 38: The Union's resources¹

1. *The Union's expenditure shall be financed from its own resources, which shall comprise taxes or levies assigned fully or in part to the Union.*
 2. *The provisions governing own resources shall be laid down in an organic law.*
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Explanation:

The Constitution needs to do no more than empower the collection of tax revenue.

The policy choices about sources of revenue can be taken in the form of an organic law. We have argued elsewhere (notably Article 24) of the usefulness of this heavy form of quasi-constitutional instrument. Our proposal for adoption is an enhanced qualified majority in the Council and a 2/3 majority of the members of the European Parliament.

The organic law on own resources will be taken by and be binding upon both the Council and the Parliament, giving to the latter a degree of responsibility for the financing of the Union budget that it has hitherto lacked. In terms of parliamentary legitimacy, the increased powers of the European Parliament renders national ratification redundant. The whole concept of Union 'own resources' has always been undermined by the necessity of resorting to national constitutional requirements under Article 269 TEC. The Convention must try to prevent a situation in which future prime ministers can abuse the own resources principles by insisting on 'juste retour' - 'Our money back!'.

The requirement for national ratification by all Member States will in any case become highly impracticable in a Union of 25.

¹ This article will follow the article on budgetary and financial principles, and will be renumbered accordingly as Article 39.