

AMENDMENT FORM

Part III - Title III - Chapter I: Fiscal Provisions

Suggestion for amendment of Article : III-59

By Members: Mr Andrew Duff

Article III-59

1. A European law or framework law shall lay down measures for the harmonisation of legislation concerning turnover taxes, excise duties and other forms of indirect taxation provided that such harmonisation is necessary for the functioning of the internal market and to avoid distortion of competition. ***The Council shall act by enhanced qualified majority.***

2. Where the ***Council finds*** that the measures referred to in paragraph 1 relate to administrative cooperation, combating tax fraud ***or tax evasion and the modernisation or simplification of existing legislation***, it shall act, notwithstanding paragraph 1, by a qualified majority when adopting the European law or framework law adopting these measures.

Explanation:

1. Unanimity means that decisions are not taken in this field in a 15-Member EU, a problem which can only increase considerably in a Union enlarged to 25. At the very least, modernisation and simplification of existing legislation should be possible by super qualified majority.

2. Administrative cooperation and the fight against tax evasion as regards indirect taxation require a prior evaluation by unanimity in the Council. With regard to administrative cooperation, the Praesidium's draft constitutes a step backwards compared with the current situation which allows decisions by QMV without requiring prior unanimity under Article 95 TEC.

In addition, it is surprising that tax evasion is not mentioned alongside fraud in this draft article, as well as in Article III.60.