

BM66 – VIENNA

7b02



Internal motion

Resolution

Amendment

Title: Corporate tax arrangements

Point of the agenda: 7c

Proposed by: USI

Seconded by:

Text:

- 1 ESU believes that the response to the European and wider global financial
2 and economic crisis should see a fair and equitable contribution from
3 across society to our recovery, particularly from those with the financial
4 capacity to contribute more. This should involve a deeper tax cooperation
5 among large multinational firms.
- 6 The tax loophole, known as the “double Irish” in Ireland, as well as similar
7 arrangements in other countries, enable large multinational firms to shelter
8 profits from corporate tax obligations by having the intellectual property
9 involved legally held by tiny subsidiaries with a tax residence offshore.
- 10 This involves paying royalties and licence fees to the offshore companies,
11 funnelling profits through the country where the business is registered to
12 tax havens such as Bermuda, which does not levy corporate taxes.
- 13 The OECD’s Base Erosion and Project Shifting (BEPS) project seeks to
14 combat large multinational firms that avoid corporate tax, through a reform
15 of global taxation structures.

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16 BEPS would “neutralise” the opportunities for locating profits in
17 jurisdictions without locating the business activities there, bringing about a
18 closer alignment of business activities, profits and taxes.

19 While ESU favours tax competition as opposed to harmonisation, and
20 believes individual member states of the EU should have flexibility and
21 autonomy in setting their headline rates of taxation, global tax avoidance
22 and the erosion of the international tax base cannot be combated in
23 isolation by individual countries.

24 Effective corporate tax rates paid by these firms should be brought a lot
25 closer to the headline rate, in order to ensure that those with the greatest
26 wealth pay their fair share.

27 ESU should advocate this position in discussions at an EU Parliament level,
28 and support the moves by the OECD to resolve this situation through the
29 BEPS project.

30 It is likely that public financing of higher education can only be achieved
31 through a widening of the tax base.

32

Passed: **YES** **NO**

(for use of board meeting chair only!)