Kluwer International Tax Blog

The Contents of Intertax, Volume 52, Issue 05, 2024

Ana Paula Dourado (General Editor of Intertax) · Monday, May 27th, 2024

We are happy to inform you that the latest issue of the journal is now available and includes the following contributions:

Stijn Blaakman & Jasper Korving, *The Tax Base in BEFIT and Pillar Two: Harmony, Dissonance, or Off-Key?*

On 12 September 2023, the European Commission published the directive proposal 'Business in Europe: Framework for Income Taxation' (hereinafter 'BEFIT Proposal'). The BEFIT Proposal should harmonize the corporate income tax bases for companies within the EU. For the calculation of the tax base, the financial accounts are taken as the starting point. Subsequently, several upward and downward adjustments are made. This methodology is close to the calculation method as accepted by the Pillar Two Directive. In this contribution, the authors will compare the calculation methods in both directives, examine the consistencies and differences between them and make suggestions for improvement. Besides that, the authors will verify whether the application of BEFIT could still result in the application of a top up tax under the Pillar Two Directive and will make suggestions to avoid potential additional levies.

Marina Serrat Romaní, *The Internet of Things as A Tool to Improve Environmental Taxation within the EU: A Case Study on the Design of Annual Road and Motor Vehicle Taxes*

Technology is essential for the transition towards climate neutrality not only in technical aspects (better and more efficient capture, energy storage, or carbon use) but also as an important tool in taxation. The progressive implementation of the Internet of Things' (IOT) technology can contribute to achieving the proposed objectives of the European Union's (EU's) environmental agenda. Its capacity to monitor and record real-time emissions creates the possibility of determining the exact amount of emissions that a vehicle emits during the year. Its implementation for tax purposes can revolutionize the design of the taxable event and the quantifying elements of certain environmental taxes, particularly those related to taxing pollutant emissions from motor vehicles in order to ensure more compliance with the pollutant pays principle.

Martijn L. Schippers, ***The Role and Validity of Delegated and Implementing Acts under the Union Customs Code***

The Lisbon Treaty introduced the ability to transfer the power to adopt non-legislative acts of general application (delegated acts) and nonlegislative acts to ensure the uniform conditions for implementing legally binding Union acts (implementing acts) in a legislative act to the European Commission. Delegated and implementing acts may not change the essential elements of the legislative act. Safeguards have been included in the legislative decision-making process to prevent the European Commission from abusing its delegated and implementing powers. Nevertheless, from time to time, a case is referred to the Court of Justice of the European Union (CJEU) about the validity of these types of acts. In this contribution, the author discusses the decision-making process for them and their position in the framework of EU customs legislation. It also analyses whether the European Commission abused its delegated and implementing powers granted in the Union Customs Code (UCC) based on several examples. The author concludes that it does so in numerous cases thereby increasing uncertainties about the legality of the delegated and implementing acts of the UCC. This conclusion may also be extended to and therefore be of interest for other areas of EU (tax) law.

Carmen Bachmann, Patrick Sunday Kayongo & Christopher Seifert*, Tax Incentives and Private Saving in Sub-Saharan Africa: Using Taxation to Incentivize Saving*

Tax-based saving promotion programs are gaining global attention as a means of mobilizing funds for domestic investment, increasing employment levels, and consequently generating greater economic growth. Despite this, such programs have remained an exception in Sub-Saharan Africa. Whereas the study of saving promotion schemes in the region has been of high interest, no attempts have been made to study how tax policy could be used to augment these efforts. This article contributes to alleviating this deficiency by linking saving promotion schemes with tax policy. The authors use descriptive statistics of region- and country-specific data to assess Sub-Saharan Africa’s private saving landscape and its current use of tax incentives. Through a systematic literature analysis, the article reveals heterogeneous challenges to private saving in the region subsequently leading to inherently low saving levels. Consequently, tax-policy interventions to boost savings in the region remain impractical, especially if the region’s current political economy, business, and demographic environment remain the same. The key barriers to private saving are evaluated, and multidimensional policy suggestions are made for improving the use of tax-based incentives. While the policy recommendations have been specifically tailored for Sub-Saharan Africa’s local socioeconomic circumstances, some of them may apply well to other low-middle-income countries (LMIC) that share similar or related characteristics.

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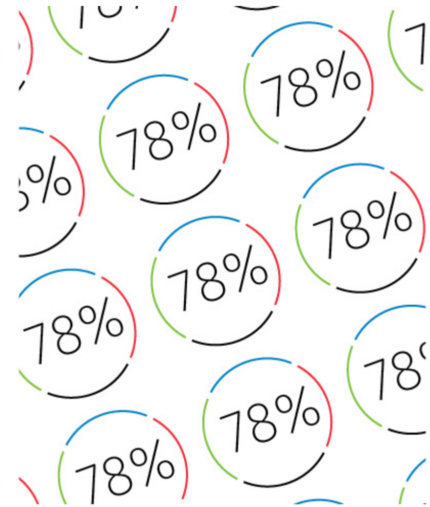

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