

Euro Tax Flash
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Euro Tax Flash from KPMG's EU Tax Centre



EU Commission to launch public consultation on Common Consolidated Corporate Tax Base (CCCTB)

European Commission – CCCTB – Action Plan on corporate taxation – Aggressive tax planning – Business tax environment

On October 8, 2015 the EU Commission launched a public consultation to help identify the key measures for inclusion in the re-launch of the proposal for a Common Consolidated Corporate Tax Base (CCCTB).

Background

The consultation is part of the implementation of the EU Commission's Action Plan for Fair and Efficient Corporate Taxation, launched in June this year (see [ETF 253](#)). In the Action Plan, the Commission published its strategy to re-launch its proposal for the CCCTB, after the negotiations in the Council had stalled largely because of the scale of the original proposal back in 2011. Under a CCCTB, businesses would eventually have to comply with just one EU system for computing their taxable income, instead of different rules in each Member State in which they operate.

To make it easier for Member States to agree, a new proposal for a CCCTB introduces a two-step approach. First, the Commission will propose a common tax base without consolidation. Consolidation – meaning that Member States would be allowed to tax their share of the

base at their own corporate tax rate – will be introduced only after securing the common tax base.

The Commission intends to come forward with revised legislation in the course of 2016.

Scope of consultation

The consultation seeks views, in particular, on the extent to which a CCCTB could function as an effective tool against aggressive tax planning without compromising its initial objective of making the Single Market a more business-friendly environment. Feedback is also requested on the aforesaid 'two-step approach' and on the criteria for determining which companies should be subject to a mandatory CCCTB. The consultation will also welcome ideas on how to address the 'debt bias' and the type of rules that would best foster R&D activities in the Single Market.

According to the Commission, a wide range of views is sought from businesses, civil society and other stakeholders. The consultation will close on January 8, 2016.

Further details of the consultation can be seen on the [EU Commission Website](#).

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