



## **EU Tax Centre**

### **Special CCCTB Update**

**Issue 182 - April 19, 2012**

#### **European Parliament votes on Common Consolidated Corporate Tax Base**

European Parliament – CCCTB – consultation procedure – single reading

On April 19, 2012, the European Parliament (EP) voted on the European Commission's Proposal for a Common Consolidated Corporate Tax Base (CCCTB). The EP proposes certain amendments to the Commission's initial text, including making CCCTB compulsory for certain types of companies after a transitional period. Please see below a press release issued today by the EP's press service:

**“ The use of a common consolidated corporate tax base should be made compulsory, said Parliament in a vote on Thursday outlining its position on legislation proposed by the Commission. The Commission had proposed a voluntary scheme.**

<<This harmonised system for calculating the tax base makes it possible for companies to consolidate the results of their individual branches, which allows them to compensate for any losses a group member might have. This makes it easier for companies to have and keep branches in different Member States and it reduces red tape. In addition, the system ensures that economic and social aspects are more important than purely fiscal reasons when companies choose their locations>>, said the lead MEP on the matter Marianne Thyssen (EPP, BE).

#### **A mandatory system**

The common consolidated corporate tax base (CCCTB) should become mandatory after a transition period, says the resolution, which was approved with 452 votes in favour, 172 against and 36 abstentions.

Initially, the CCCTB would only apply to European cooperative societies, which are by nature cross-border. After five years, it would apply to all companies except small and medium-sized enterprises (SMEs) which could opt in if they so wish. For SMEs, the Commission should work to reduce administrative burdens so as to enable those with cross-border activities to benefit from adhering to the CCCTB system.

## Start with those in favour

Parliament's position also proposes that if not all Member States wish to take part in the scheme, then those that do could introduce it via the EU's enhanced cooperation procedure.

## Minimum tax harmonisation?

The CCCTB system would give companies a single set of rules for calculating their taxable profits, rather than having to comply with differing accounting rules in each Member State in which they work.

As a set of rules for computing taxable income, CCCTB does not impose any common tax rates.”

### ***EU Tax Centre Comment***

The European Parliament's role in the legislative process for the adoption of the CCCTB is only consultative. Today's vote is nevertheless an important step in this process and could influence debate at Council level (the legislator in this case). The Treaty on the Functioning of the European Union allows a minimum of nine Member States to introduce a Directive binding on the cooperating countries only (the “enhanced cooperation” procedure).

Should you require further assistance in this matter, please contact the EU Tax Centre or, as appropriate, your local KPMG tax advisor.

**Robert van der Jagt**  
Chairman KPMG's EU Tax Centre  
[vanderjagt.robert@kpmg.nl](mailto:vanderjagt.robert@kpmg.nl)

**Barry Larking**  
Head of Knowledge Management, KPMG's EU Tax Centre  
[larking.barry@kpmg.nl](mailto:larking.barry@kpmg.nl)

[www.kpmg.com/eutax](http://www.kpmg.com/eutax)

Euro Tax Flash is published by KPMG International Cooperative in collaboration with the EU Tax Centre. Its content should be viewed only as a general guide and should not be relied on without consulting your local KPMG tax adviser for the specific application of a country's tax rules to your own situation. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2012 KPMG International Cooperative (“KPMG International”), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved.

The KPMG name, logo and “cutting through complexity” are registered trademarks or trademarks of KPMG International.