



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE RELEASE

Company taxation: SMEs welcome decision to set up work group, demand involvement of SME representatives

Brussels, 14 September 2004 UEAPME, the European association representing crafts and SMEs employers, welcomed the decision taken by the ECOFIN this weekend to set up a intergovernmental work group to consider the idea of allowing all companies to use a common consolidated set of rules and a pilot project that would allow SMEs to use the tax rules of their home state for calculating their EU-wide taxable profits.

The SME association now urges the work group to consult national SME representatives to better incorporate the needs of enterprises in the debate.

“The creation of this work group really is a positive signal for European SMEs. The mere existence of this work group implies that Member States are finally recognising and considering acting against unfair hindrances to the Internal Market created by the different taxation systems. But now we have to make sure that the issue is not solely debated at ministerial level but that SME representatives are also consulted in the debate” said **Hans-Werner Müller**, Secretary General of UEAPME.

The association further congratulates the European Commission on the considerable efforts it has made during the last months to put the sensitive question of taxation barriers to the completion of the Internal Market high up on the agenda of Member States.

According to UEAPME, the debate on the launch of a Home State Taxation system for SMEs should be the priority for the work group. Indeed, the start of this pilot project would be easier to agree on and implement than a common consolidated tax base. A Home State Taxation system would drastically help reduce the compliance costs of SMEs operating cross-border.

Finally, UEAPME reiterates that the debate on a common consolidated tax base for companies across Europe should not interfere with fair competition on tax rates.

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