

Common Corporate Tax Base

The Austrian Perspective

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CCTB

- **CCTB-project**
 - Important project for Austria
 - To strengthen the European Single Market
 - Some doubts about the consolidation
- **Situation at the beginning of the Austrian Presidency**
 - **8 “frozen” articles** for impact assessment
 - **German-French position paper**

Impact assessment

- **HLWP February 2018:**
 - **Idea of evaluating the impact** of the CCTB proposal on national tax revenues
 - By using a common methodology
 - CORTAX model
- **8 “frozen” articles, e.g.**
 - **Art 2: scope – €750 m**
 - **Art 33: Depreciation**

Impact assessment

- **For Austria**
 - **Concentration on Art 33** – individual depreciation
 - **Useful life of fixed assets:**
 - Buildings: 40 years
 - Industrial buildings: 25 years
 - Long-life fixed tangible assets: 15 years
 - Medium-life fixed tangible assets: 8 years
 - Short-life fixed tangible assets: 5 years
 - Depreciation of the acquired goodwill
 - **Macroeconomic effect: small, but positive if**
 - all companies included (without threshold),
 - depreciation of acquired goodwill
 - » otherwise hardly any effect

German-French position paper

- **They very much support** the CCTB Directive
 - Aim: to foster the current discussion
- **General positions e.g.:**
 - **Scope** of the CCTB Directive
 - **Compulsory for all companies**
 - **Tax base** should be **determined on basis of accounting principles**
 - **Good idea, but:**
 - **Construction problem of CCTB**
 - » Too many rules with its own tax accounting system
 - » Where is place left for accounting principles?

German-French position paper

- **Accounting principles as a basis?**
 - **Which accounting principles?**
 - National,
 - Accounting Directive or
 - IAS/IFRS?
 - **Rewrite the Directive?**
 - Begin with a link to the accounting principles
 - CCTB only in case of difference to the accounting principles
 - Realistic: technically not possible

German-French position paper

- **CCTB: Some tax incentives included**
 - Super-deduction for R&D (Art 9 (3))
 - Allowance for Growth and Investment (Art 11)
- **German-French**
 - **No tax incentives**
 - **Overall aim:** harmonisation of the tax base
 - **Austria is in favour of this position**
 - Keep our national R&D-bonus-system

German-French position paper

- **Asset depreciation**
 - **Immediate deduction of minor value assets**
 - **CCTB-Proposal, Definitions:**
 - **Fixed Assets** expected to be used for more than 12 months, except acquisition cost is less than €1,000
 - **Grouping mechanism** to determine useful life
 - But: Do not support pool depreciation
 - Against administrative simplification
 - **Tax depreciation of an aquired goodwill**
 - **Entitlement to depreciate**
 - **For the asset's economic owner**
 - **Leasing contracts:** lessor is regarded as economic owner

Way forward

- **Austrian Presidency:**
 - **Structure of the debate on the German-French position paper:**
 - **WPTQ** (started in Sept 2018):
 - technical questions + preparation of more “political” questions for the HLWP
 - compromise text will be drafted
 - **Next HLWP** 26 October 2018
 - more “political” questions
 - discussion of the national impact assessments

Austrian Presidency

- **HLWP-questions, e.g.**
 - **Scope:**
 - Compulsory for all companies?
 - Without threshold?
 - **Incentives**
 - Super-deduction for R&D (Art 9 (3))
 - Allowance for Growth and Investment (Art 11)
- **Our aim: make progress**