Statement by the Committee on Taxation
2026/27:SkU9

Subsidiarity check of the Commission's proposal amending directives as regards the field of simplification of the Union framework on direct taxation

Summary

The Committee considers that that the Commission's proposal in certain parts conflicts with the principle of subsidiarity and proposes in accordance with Chapter 10, Article 3 of the Riksdag Act that the Riksdag submits a reasoned opinion to the Presidents of the European Parliament, the Council and the Commission.

The Committee welcomes the Commission's ambition to simplify and clarify the tax rules in the field of direct taxation, thereby reducing the reporting requirements and administrative burden for companies and improving the predictability of the application of the tax rules.

In this context, the Committee would like to emphasise that the fundamental principle of member states' tax sovereignty in the field of direct taxation must be safeguarded. It falls within the national competence of each member state to safeguard welfare by levying taxes and using tax revenues in an appropriate way. In addition, corporate taxation is closely integrated with other aspects of taxation and the political and economic conditions of the member states. The benefits of having harmonised rules must therefore be balanced against the powers of member states and the opportunity to introduce and maintain their own national rules.

In view of the above, the Committee shares the Government's assessment that the Commission's proposal to introduce an EU wide minimum level of deduction for research and development expenditure through the Anti-Tax Avoidance Directive cannot be regarded as a simplification of existing EU legislation. Rather, the proposal entails a harmonisation of a new area in which member states have so far been free to establish their own rules. The Committee considers that the design of tax incentives for research and development is a matter which falls within the competence of each member state and should therefore be determined primarily at national level.

The Committee further notes that several of the other proposals are submitted within the framework of directives that provide for minimum harmonisation. This applies for example to the proposed amendments to interest limitation rules in the Anti-Tax Avoidance Directive as well as the proposals for exemption from withholding tax through the elimination of holding requirements in the Parent-Subsidiary Directive and the Interest and Royalty Directive.

Where proposals within the framework of such directives limit the national competence of the member states, the Committee considers that a high standard of justification is required and that the Commission must clearly demonstrate that the measures are necessary to achieve the stated objectives and that they do not go beyond what is required.

In summary, the Committee considers that the Commission has not shown that the stated objective of simplification cannot be achieved through measures at national level and that the proposed harmonisation of the rules on deduction for research and development expenditure is therefore necessary to achieve this objective. With regard to the other proposals which limit the scope of member states' competence within the framework of existing directives that provide for minimum harmonisation, the Committee considers that the Commission has not clearly demonstrated that these

limitations constitute targeted amendments which do not go beyond what is necessary to achieve the stated objective of simplification.

The examined proposal
The Commission's proposal for a Council Directive amending Directives 2003/49/EC, 2009/133/EC, 2011/96/EU, (EU) 2016/1164, (EU)2017/1852, (EU) 2025/50 as regards the simplification of the Union framework on direct taxation and supporting growth and competitiveness of the EU (COM(2026) 560).