Calendar for the introduction of new EU own resources as put forward by the European Parliament on**14th September in its Own Resources Report[1].**

From 2021

Plastic tax

can raise **€7bn** per year - from 2021 **(already agreed by EU Council).**

The European Commission estimates that the Contribution Based on Plastic Packaging that is not recycled supposed to enter into force in 2021 could raise up to €7bn a year, using an EU-wide call rate €0.80/kg.[2]

Auction revenues of the EU Emission Trading Scheme (ETS)

30% of €3bn to €10bn per year

The European Emissions Trading System is the cornerstone of EU climate policy. A number of 'allowances' are auctioned by Member States and purchased by companies to cover their greenhouse gas emissions.
It will be implemented through a share of the proceeds from the auctioning of allowances which could be made available for the EU budget.The in-built protection and fairness mechanisms in the emissions trading system will not be affected.
The European Commission estimates it can raise from €3 to €10bn a year, depending on and without prejudice to the carbon price.

From 2023

Carbon Border Adjustment Mechanism (CBAM)

€5-13bn.

[1] Report on the draft Council decision on the system of Own Resources of the EU (Text. A9-0146/2020)
[2] https://ec.europa.eu/commission/sites/beta-political/files/budget-proposals-modernising-budget-revenue-side-may2018_en.pdf

This new mechanism would counteract this risk by putting a carbon price on imports of certain goods from outside the EU. According to European Commission estimates, this resource could add between €5bn and €13bn per year to the EU budget.[3]

Digital levy

€1,3bn

On 21st March 2018, the EC proposed new rules to ensure that digital business activities are taxed in a fair and growth-friendly way, as current tax rules fail to recognise the new ways in which profits are created in a country without being physically present.

For instance, a user contributes to value creation by sharing his/her preferences (e.g. liking a page) on a social media forum. This data will later be used and monetised for targeted advertising. The profits are not necessarily taxed in the country of the user (and viewer of the advert), but rather in the country where the advertising algorithms has been developed, for example. This means that the user contribution to the profits is not taken into account when the company is taxed. This goes against current corporate tax rules, which are built on the principle that profits should be taxed where the value is created (EC).

Close to a third of the growth of the overall industrial output in Europe is already due to the uptake of digital technologies. In 2006 only one technology company was among the top 20, accounting for only 7% of the market capitalisation. In 2017, 9 out of the top 20 companies by market capitalisation were technology companies, accounting for 54% of the total top 20 market capitalisation.[4]

According to the latest estimate of the European Commission, a tax on digital companies could raise €1.3 to €5bn[5] a year.

From 2024

Financial Transaction Tax (FTT)

[3] https://ec.europa.eu/info/sites/info/files/about_the_european_commission/eu_budget/factsheet_3_v22.pdf

[4] Global Top 100 Companies by market capitalisation' PWC, 2017; Financial Times Global 500 database, 2006.

[5] https://ec.europa.eu/taxation_customs/business/company-tax/fair-taxation-digital-economy_en

€50bn (if integral, as based on the European Commission 2011 proposal)

In their Impact Assessment the European Commission (EC) stated during their subsidiarity check that an uncoordinated action towards financial transaction taxes "distorts competition, increases the risk of relocation (...) and increases the risk of double taxation". The European Commission in 2011 proposed a tax rate of 0.1% on equities and bonds and 0.01% on derivatives. Since the proposal did not secure a majority at EU level, from 2013, deliberations on the introduction of an FTT continued in the framework of enhanced cooperation with Austria, Belgium, Estonia (until December 2015), France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain. In that context, the EC put forward an (almost identical) proposal for a Directive for the Member States participating in the enhanced cooperation. Currently, the European Parliament supported such an introduction from 1st January 2024 into the MFF 2021-2027 negotiation,
Furthermore and contrary to some belief, an FTT would not affect the real economy as the tax does not cover everyday financial transactions such as salaries, bills, insurance, contracts, loans… It therefore protects the real economy from the direct effects from the tax. It also stabilises stock prices, commodity prices and exchange rates in both the long and short term, in addition it also dissuades from High Frequency Trading which albeit providing liquidity in good economic times, drains the system from them during times of crisis. This is due to the fact that an FTT makes informed traders internalise the pecuniary externality in the use of private information.[6]

From 2026

Corporate Income Tax revenue based on a Common Consolidated Corporate Tax Base (CCCTB):

€75bn

"The Common Consolidated Corporate Tax Base (CCCTB) is a single set of rules to calculate companies' taxable profits in the EU.
With the CCCTB, cross-border companies will only have to comply with one, single EU system for computing their taxable income, rather than many different national rulebooks.

Companies can file one tax return for all of their EU activities, and offset losses in one Member State against profits in another.

[6] https://voxeu.org/article/rationale-tobin-tax

The consolidated taxable profits will be shared between the Member States in which the group is active, using an apportionment formula. Each Member State will then tax its share of the profits at its own national tax rate." Source: EC

Total

In total, if these resources were to be added to the EU budget, we could potentially add around €150bn. This is far from what is needed to adequately combat the climate crisis, nevertheless it would add much needed breath into the EU´s metaphorically collapsing lungs.