

A COMMON CORPORATE TAX BASE IN ORDER TO IMPROVE THE EUROPEAN SMES BUSINESS ENVIRONMENT

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ABSTRACT: *The political and social preferences of each country require independence in creating national tax policy. The divergence in the tax systems of the EU Member States has created many obstacles and therefore incompatibility with the internal market. By eliminating these distortions the Community achieves its aim of a single market. Today, companies operate throughout Europe thanks to the common rules established in the internal market, but at the same time more distortions have been created because of differences in Member States' fiscal policy and interpretations of existing EU common tax rules. This is particularly important for the 23 million SMEs in Europe, which often have only limited resources and insufficient expertise to comply with complex juridical rules and procedures. Double taxation, the lack of tax harmonization, tax-related hindrance of business restructuring and enormous compliance costs are just some barriers to a more competitive and open European market. Removing these obstacles by adopting more clear and consistent common juridical rules would significantly spur investment and contribute to enhancing the competitiveness of the EU economy.*

KEYWORDS: *Common corporate tax base, common juridical tax rules, costs of compliance for SMEs*

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