

We are building today the cultural diversity of tomorrow

## Taxation for cultural goods and services in the digital age: Europe must act now!

At a conference held today at the European Parliament, the European coalitions for cultural diversity, who organized the event, called on the European Union to construct fair and effective tax regimes for cultural goods and services in the digital age.

During the conference, sponsored by MEP Pervenche Bérès, they reminded decision-makers of the challenges presented by the digital revolution for the taxation of cultural and audiovisual goods and services; namely, to put an end to a system which penalizes digital cultural goods and services, and to ensure internet multinationals pay a fair level of tax and also invest in the creative economy in Europe on which they depend.

For the European coalitions, it is now time for the European Union to take action.

There is no reason why cultural goods distributed or sold via digital devices should not benefit from a lighter tax rate, just as other cultural goods do. The European coalitions support in particular the decision of some European countries to apply the same reduced VAT rate to both physical and e-books, in the name of technological neutrality.

It is impossible to justify the fact that certain internet multinationals, often non-European, are able to engage in "aggressive tax planning" within Europe, taking advantage of tax loopholes, and simultaneously avoiding serious investment in Europe's creative economy. This

concern is reflected in the recent establishment of an EU Commission high level working group, specifically studying taxation of the digital economy.

The European coalitions condemn aggressive tax planning, which deprives governments of much needed budget resources in the current context of economic austerity (in the EU, the loss of revenue due to fraud and tax evasion schemes has been estimated to reach one trillion euros annually). Moreover, it gives these multinationals, which also provide cultural works, an unfair advantage over other existing cultural services already established, and it weakens the creation funding system in Europe.

In view of the coming European elections, the European coalitions for cultural diversity ask political parties and European governments to refuse to adopt a wait-and-see attitude and act rapidly. They expect the new European Commission and the new European Parliament to support ambitious measures aimed at the modernization of tax regimes in the cultural field and fully integrate new internet players into existing systems of funding support.

For the European coalitions, deregulation undermines the protection and promotion of cultural diversity, as does abandoning those national and European policies which support creativity and cultural production. On the contrary, they call for new rules which will make digital multinationals active partners in investment in and promotion of the EU cultural and audiovisual sectors.

## **Press contact France:**

Agnès Mazet – +33 (0)1 40 23 45 11 – agnes.mazet@sacd.fr

**Press contact International:** 

Segolene Bunel - +33 (0)1 40234792 - segolene.bunel@sacd.fr/www.coalitionfrancaise.org

## **UK Contact:**

Holly Aylett +44 (0) 7966441738 ukccd1@gmail.com/ www.ukccd.org.uk