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Proposals for EU Taxes gaining momentum in Brussels

Hard-pressed Irish consumers could find themselves faced with extra taxes to fund the EU's expanded post Lisbon budget. According to the People's Movement, an Irish organization that campaigns on EU issues and which campaigned against the ratification of the Lisbon Treaty in last year's referendum, EU taxes are on the way. People's Movement chairperson, former MEP Patricia McKenna, has warned that EU taxes are now a real possibility with support for the idea growing among EU politicians.

McKenna said: 'Proposals for European Union consumer taxes are gaining momentum among EU leaders and Luxembourg has now added its voice to such proposals with its finance minister, Luc Frieden, saying yesterday that such taxes would give the public a "direct link" to the EU'.

Writing in the French daily newspaper *Le Figaro*, the Luxembourg minister said: 'It would make sense to rethink the financing of the EU budget through a European tax imposed on certain services or products that would go directly into the European budget'.

McKenna said: 'During the Lisbon Treaty referendum we warned that EU taxes were a real possibility but were ridiculed and accused of scare-mongering. However, it is now clear that our concerns were indeed justified with proposals for such a tax being supported by the new EU president, Herman Van Rompuy, appointed after the Lisbon Treaty came into force creating his new presidential position. If the most powerful political figures in the EU are in support the idea there is little chance of Ireland with its reduced voting power being able to block it.'

The tax plan will be tabled in spring as part of a review of EU funding and already has the support of the EU Commission president, José Manuel Barroso, and the newly appointed Polish budget commissioner. Although the new commissioner has warned that a EU tax 'could prove detrimental' to public opinion.

Proposals to use VAT, fuel duties, or aviation taxes to give the EU a direct and independent source of income have long been demanded by the Commission and recent calls for a carbon levy to fight climate change and a 'Tobin Tax' on transactions in the financial sector have given the idea a new lease of life.

'It is clear that initially EU tax will be presented in a way that links it to environmental factors, carbon levies and financial transactions on carbon emissions to divert public attention away from the true significance of EU taxes' said McKenna.

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