COM (2008) 727 – Council Directive amending Directive 2003/48/EC on taxation of savings income in the form of interest payments

This proposal is intended to amend Directive 2003/48/EC which pertains to the taxation of savings income in the form of interest payments. This amendment would close loopholes from the previous directive as well as eliminate tax evasion. One of the main changes this proposal recommends is broadening the definition of savings income that can be taxed. This expansion includes securities, some types of life insurance contracts, and income from investment funds. The Commission consulted EU member states’ tax administrations, but no public consultation was held. On 14 February 2011, the Council had an orientation debate on a draft directive to strengthen 2003/48/EC. The presidency hopes to push forward the Council’s high-level working group to enable progress on the directive as soon as possible.