Tax abuse goes on and on and on….

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The EU announced incredibly weak plans to tackle tax abuse yesterday. And as the FT reports, the reaction was swift:

Europe's biggest business lobby group has withdrawn its support from a pan-European tax system at the heart of a planned crackdown on corporate tax avoidance.

BusinessEurope said plans for a "common consolidated corporate tax base" (CCCTB) no longer carried its backing after the European Commission said multinationals would be forced to sign up to the measure.

In other words, this group says it's sticking to the status quo unless reform is optional and so only undertaken if beneficial to corporations. You really couldn't make it up. Except for three facts.

The first is the very clear evidence that corporate lobbying must have had on yesterday's announcement, which is so weak it is ridiculous. It even introduces a potential new loophole by allowing losses to be shared between states whilst profits cannot be similarly apportioned between them, which will open up whole new rafts of planning abuse opportunities.

The second is the very clear evidence that secrecy is still being abused. A new report by Americans for Tax Fairness (ATF), and researched by the United Food & Commercial Workers International Union (UFCW) has revealed that Walmart has built a vast, undisclosed network of 78 subsidiaries and branches in 15 overseas tax havens, which may be used to minimise foreign taxes where it has retail operations and to avoid U.S. tax on those foreign earnings. These secretive subsidiaries have never been subject to public scrutiny before. They have remained largely invisible, in part because Walmart fails to list them in its annual 10-K filings with the U.S. Securities and Exchange Commission (SEC). Country-by-country reporting would have very obviously helped expose these subsidiaries a lot earlier.

And abuse in developing countries is also being exposed: Action Aid has a new report on tax abuse by an Australian corporation in Malawi.

And despite that evidence the EU offers the CCCTB which it knows will take many years to deliver, a hopeless and inadequate list of tax havens that excludes critical states like Luxembourg, and another consultation about country-by-country reporting, where all the issues and opinion are already known.

The willingness to tackle tax abuse appears to be fading. It's an attitude not dissimilar to that shown to Greece: the people can pay the price appears to be the new mantra in Brussels.

Which is why the tax justice campaign will go on.