Brussels, 19 July 2018

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WORKING PAPER

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MEETING DOCUMENT

<table>
<thead>
<tr>
<th>From:</th>
<th>General Secretariat of the Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>To:</td>
<td>Working Party on Own Resources</td>
</tr>
<tr>
<td>Subject:</td>
<td>Assumptions and Impacts for the reformed own resource system / Calculation of rebates - PPT presentation</td>
</tr>
</tbody>
</table>

Delegations will find hereby attached the slides that will be used by the Commission for presenting the assumptions and impacts for the reformed own resource system, as well as the calculation of rebates at the meeting of the Working Party on Own Resources on 20 July.
EU BUDGET FOR THE FUTURE
MFF 2021-2027
Assumptions and Impacts for the reformed own resource system

Commission services
AGENDA POINT 2
ASSUMPTIONS BEHIND THE EUROPEAN COMMISSION'S ESTIMATES 2021-2027
## OWN-RESOURCE BASE

### Starting point and projection method

<table>
<thead>
<tr>
<th>Source of data used</th>
<th>Value-Added Tax</th>
<th>Corporate tax (CCCTB)</th>
<th>Emissions trading system</th>
<th>Plastic packaging waste not recycled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal (receipts)</td>
<td>National accounts (Eurostat) &amp; CORTAX model's estimates</td>
<td>Historic verified annual emissions of installations covered by the EU Emissions Trading System</td>
<td>Environmental statistics (Eurostat)</td>
<td></td>
</tr>
</tbody>
</table>

|-----------------|-----------|------|--------------------|------|

<table>
<thead>
<tr>
<th>Own Resource base</th>
<th>= 45% receipts / Standard tax rate</th>
<th>= Estimated revenues / adjusted national tax rate</th>
<th>Annual auction revenue subject to adjustments</th>
<th>= Total – Recycled (plastic packaging waste)</th>
</tr>
</thead>
</table>

| Projection method | Tax base projected per each Member State according to its forecast annual growth rate of both real GDP and inflation (Commission 2018 Spring Forecast) | Constant (no projection) | EU27 plastic packaging waste rises by 270,000 tons/year, but remains distributed across Member States as in 2015. National recycling rates converge linearly to 2025 and 2030 targets. |
Increase of EU plastic packaging waste by 270,000 ton/year (2%/year on average)

- Distributed according to each Member State's share in the EU economic growth

EU-27 meets 50% recycling target by 2025 and 55% target by 2030

- Each Member State converges towards the EU recycling rate target:
  - Taking account of the 2015 starting levels of each Member State
NON-RECYCLED PLASTIC WASTE BASED OWN RESOURCE – SENSITIVITY ANALYSIS: DISTRIBUTION ACROSS MEMBER STATES
AGENDA POINT 5

CALCULATION OF REBATES
Who benefits from rebates?

Current MFF 2014-2020

• UK rebate (United Kingdom)

• Rebate on the UK rebate (Germany, the Netherlands, Austria, Sweden)

• Reduced Gross National Income-based contributions (Denmark, the Netherlands, Austria*, Sweden)

• Reduced call rate on Value-Added Tax-based contribution (Germany, the Netherlands, Sweden)

* Austria: decreasing lump sum over 2014-2016
Size of rebates

Current MFF 2014-2020

Source: EU budgets; average amount of existing corrections over the years 2014-2018
How will rebates be phased out in the next MFF 2021-2027?

- The baseline: year 2020
- To be granted as gross reductions in the Member States' Gross National Income-based contribution, and reduced linearly over 5 years (2021-2025)
- To be financed by all Member States according to their relative share in the EU’s Gross National Income, as already applies in the current MFF
Phasing out rebates
Next MFF 2021-2027

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021 (83%)</th>
<th>2022 (67%)</th>
<th>2023 (50%)</th>
<th>2024 (33%)</th>
<th>2025 (17%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,835</td>
<td>4,863</td>
<td>3,890</td>
<td>2,918</td>
<td>1,945</td>
<td>973</td>
</tr>
</tbody>
</table>

€ million (2018 prices)