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EUROPEAN UNION FISCAL POLICY STRATEGY

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Abstract *Fiscal policy is a key component of economic policy, which, through taxation and taxation system aims to influence (stimulate) economic activity in the aggregate. It includes all measures relating to the amount and perceptions / use taxes in an economy.*

Key words:
Fiscal policy, tax strategy, tax, globalization, the European Union

1. Introduction

Fiscal policy is the border between fiscal policy and fiscal service, acting as a direct manner on the various economic sectors as well as on consumption. At EU level fiscal policy is subordinate to the Treaty establishing the European Community, which provides: abolition of customs duties between Member States (Article 3) and any other measures of similar effect; and ensuring free competition within the common market. In this respect, especially considering indirect taxes (VAT and excise duties). Direct taxes are only subordinated to the goal of affection of free competition in the market, but it is recommended that members terminates the conventions of international double taxation.

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Regarded as a common problem throughout Europe, taxation must be considered in relation to the three categories of international acts with particular importance in this matter: "International Convention for the avoidance of double taxation," the Community Treaties; "European Convention on Human Rights. Fiscal policy is an integral part of the economic policy of a country includes a set of ideas and strategies that ensure the most effective ways of establishing and collecting the revenues, while being the main component of the financial policy of the state and which are developed concurrently with the public authorities.

2. Fiscal policy in the European Union

In the EU, fiscal policy is geared towards functioning of the single market without hindrance; further harmonization of EU efforts in this area focuses therefore primarily on indirect taxation. In parallel with these efforts, the EU is stepping up the fight against tax evasion and tax fraud, which constitutes a threat to fair competition and are due to a major budget deficit. Under the Treaty, fiscal measures should be adopted by Member States unanimously. While fiscal policy is influenced largely by the European Court of Justice, the European Parliament has, in this respect, than the right to be consulted, except in budgetary matters, where, as the budgetary authority Parliament shares decision-making powers with the Council.

EU fiscal policy strategy is explained in the Commission Communication "Tax policy in the European Union - Priorities for the years ahead" (COM (2001) 0260). Each Member State is free to choose the tax system they deem most suitable, provided they comply with EU rules. The harmonization of European tax legislation Romania was and is the process uncomfortable Romanian political class and economic equity holders, they influenced Often the economic decision according to their own interests which made Romania to be warned repeatedly by EU bodies and incoherent slow pace of reforms in legislative and economic policies.

In the EU, fiscal policy consists of two components: direct taxation, which remains the exclusive competence of the Member States, and indirect taxation, which affects the free movement of goods and freedom to provide services. As regards direct taxation, Member States have taken measures to prevent tax evasion and double taxation. Fiscal policy is intended to avoid distortions of competition between Member States on the domestic market because of differences between levels and indirect tax regimes. Also, measures were taken to prevent the negative effects of tax competition in situations where companies transferring cash between Member States of the European Union.

Fiscal Policy of the EU Member States remained in the national autonomy in macroeconomic policy making, in the most important instrument of the state in ensuring economic stability. However the degree of freedom of each Member State in its fiscal policy making is narrow because some essential parameters are preset policy. (P. Brezeanu, I. Simon, S. Celea, 2005)

The main objectives of a coherent and coordinated tax approach are:

- the elimination of discrimination and double taxation;
- prevention of unintended non-taxation cases and evasion;
- reduce compliance costs entailed employment under the provisions of various tax systems.

In developing the Community fiscal policy in mind that tax systems are, above all, national systems whose characteristics, level and structure, ways of collecting etc. reflects the realities of historical, political, social, economic, institutional and cultural in each country. Thus far, the tax systems of the Member States of the European Union is trying to reconcile the objectives of social justice to the principles ensure economic efficiency in globalization. As this is not enough to achieve full integration and union, trying to achieve a balance between the principle of subsidiarity and community intervention, the European institutions have developed a set of legal rules constitute what we call the tax law community (M. Drăcea, D. F. Sichigea, 2006).

According to the 2014-2016 fiscal strategy, the main objectives in fiscal years 2014-2016 aims to:

- Provide a stimulating framework for developing private and public economic environment by simplifying the tax system and promoting measures to improve transparency, stability and predictability;
- Efficiency of the tax system from the recommendations of the IMF technical assistance;
- Further harmonization of national legislation with Community law by national legislation transposing the Directives adopted at European level in the field of VAT and excise duties;
- Improvement of the tax laws by escapist phenomena in order to counter them;
- Increase budget revenues by broadening the tax base and not by increasing the tax burden on the economy;
- Strengthen fiscal governance and fiscal policies reduce discretionary decision, under the same rules for all taxpayers;
- In the medium term, attracting a high volume of foreign investments and long-term support of local capital.

3. Conclusions

The European Union is an area with a relatively high level of taxation, the tax burden amounting to almost 40% of GDP (in 2011, the latest available data). Based on the overall level of tax revenues collected in the period 2000-2011, Member States can be divided broadly into three groups: Eastern and Southern group that tends to have tax burdens below the EU average, a group of countries more, all from the central euro and all the tax burdens of 38-42% of GDP and a northern group of countries that has the highest overall tax burden in some cases approaching 50% of GDP. (F. Dobre, R. Ciobanu, 2013)

It is obvious that a country with a gross domestic product performs as average per capita greatly can bear a higher tax. However, in the last year, many member states of the European Union focused on tax reforms to boost competitiveness, for example, by reducing the corporate tax rate or tax measures to encourage research, investment and entrepreneurship. All these things show an improvement in the tax system of the Member States, but this does not mean that there is room for improvement.

In the past 10 years, the European Union member states were committed genuine tax reform, or at least some adjustments to existing tax systems. They have covered both the direct taxes, particularly personal income tax and corporate income tax and indirect taxes, especially general and special consumption taxes.

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