
Commission adopts two decisions recommending taxation of ports in Italy and Spain

2019/01/10 10:32 στην κατηγορία INTERNATIONAL

The European Commission has proposed, in two separate decisions, that Italy and Spain align their taxation of ports with State aid rules. The Commission remains committed to ensure a level playing field across the EU in this key economic sector.

Commissioner Margrethe Vestager, in charge of competition policy, said: “Ports are key infrastructure for economic growth and regional development. That is why EU State aid rules provide ample room for Member States to support and invest in ports. At the same time, to ensure fair competition across the EU, ports generating profits from economic activities should pay taxes in the same way as other companies – no more, no less.”

Cross-border competition plays an important role in the ports sector and the Commission is committed to ensuring a level playing field in this key economic sector.

Ports carry out both non-economic and economic activities:

- **Non-economic activities**, such as maritime traffic control and safety or anti-pollution surveillance, typically fall within the competence of public authorities. Such public remit activities are outside the scope of EU State aid control.
- The commercial operation of port infrastructure, such as providing paid access to the port, on the other hand constitutes an **economic activity**. EU State aid rules apply to these activities.

A corporate tax exemption for ports that earn profits from economic activities can provide them with a competitive advantage when they operate on the internal market and therefore involves State aid, which may not be compatible with EU rules.

In **Italy**, ports are fully exempt from corporate income tax.

In **Spain**, ports are exempt from corporate income tax on their main sources of revenue, such as port fees or income from rental or concession contracts. In the Basque Country, ports are fully exempt from corporate tax.

In April 2018, the Commission informed Italy and Spain of its concerns regarding their regimes for the taxation of ports. The Commission takes the preliminary view that, in both Italy and Spain, the existing tax regimes provide the ports with a selective advantage that may breach EU State aid rules.

Today, the Commission has therefore **invited Italy and Spain to adapt their legislation** in order to ensure that ports, as from 1 January 2020, will pay corporate tax in the same way as other companies in Italy and Spain, respectively. Each country now has two months to react.

The decisions today follow recent Commission decisions requiring the Netherlands, Belgium and France to abolish exemptions from corporate tax for their ports.