

- Ensure that the great majority of honest small businesses can compete fairly with the less scrupulous by *cracking down on tax evasion*, especially in the informal economy and through non-payment of VAT.
- Give BT and other public telecommunications operators an obligation to provide *affordable high-speed broadband-capable* infrastructure to every small business.

Green MEP lobbies for VAT exemption for small firms

Molly Scott Cato MEP has been lobbying in Europe for VAT exemption for micro-businesses. This follows new European VAT rules on digital products sold in the EU making VAT chargeable in the place of purchase rather than in the place of supply. Micro-businesses are now therefore obliged to collect VAT from up to 28 different EU states at 75 different rates. Rules designed to ensure that corporations pay fair taxes have entangled many tiny enterprises, and the complexity of administration involved is putting them at risk. Molly has called for a VAT exemption for businesses with a turnover of less than €100,000 across the whole of Europe. Many micro-businesses have welcomed her intervention; small businesses are responsible for around 80% of jobs across the EU.

TAXES

Tax is not a punishment and it is not stealing by the state. It is our money, spent on our behalf by the government we elect. Tax redistributes wealth and pays for services that are important to us all. There are services we share but don't always use, such as roads, healthcare and schools. We don't all drive, we don't all go to the doctor and we don't all have children. But we know these things are important for our common life: sharing these things binds us together. Taxation pays for them. And, to be fair, taxation needs to be progressive, taking proportionately more from those most able to pay.

What should we spend, and on what?

How much should we decide together to spend on the common good, and how much should be left for individuals to spend for themselves? The pressure in the UK in recent years from the main three parties has been for the state to tax less and spend less, culminating in the dismantling of public services in the name of austerity.

But we need to put this in a wider context, in both space and time. Different countries spend different amounts of their national income on public goods. The table below compares the Green Party plan, set out in this manifesto, of 45% of GDP spent on public goods with other European countries and the USA, and with the planned decline in investment in the public sphere in the UK. Every percentage drop represents an assault on the ties that bind us together, on support for those who most need it and on investment in a democratic, just and sustainable economy.

Country	% of GDP spent on public goods
United States	41
Spain	42
Germany	45
Belgium	53
France	56
Denmark	58
UK 2010	47
UK 2015 (planned)	39
UK 2020 (planned)	36
Green Party plan	45