A7-054-2

Motion

Proposer: JEF Netherlands (decided on: 04/18/2026)

Title: **A7-054-2: Regarding the Creation of a Fiscal Union**

Motion text

From line 54 to 57:

1. JEF Europe, therefore, calls the European Council to create a Fiscal Union structured around:
~~1~~a. Fiscal capacity, which is the power to raise taxes through a European Tax Authority, consisting only of autonomous revenues to ensure the Union possesses

From line 60 to 61:

~~2~~b. Budgetary capacity providing macroeconomic stabilization and funding essential European public goods, such as common defense and energy

From line 63 to 69:

~~3~~c. Permanent borrowing capacity to issue sovereign debt, providing a mechanism to manage economic shocks;
~~4~~d. Tightened fiscal rules at the national level to ensure long-term sustainability and prevent moral hazard within the shared fiscal framework;

~~5~~e. The democratic empowerment of the European Parliament, granting it the right to initiate and amend fiscal proposals, ensuring that new European taxes are

From line 71 to 72:

~~6~~f. Harmonization of national tax bases to reduce the administrative burdens and market distortions caused by divergent fiscal rules.

2. Until the Treaty change, calls on the Commission, Council, Parliament, and the member states to take steps towards a Fiscal Union within the current framework of the Treaties by
a) Adopting a new Own Resources Decision that fully or partially substitutes member states' contributions with tax-like Union resources on cross-border economic activities;
b) Amending the Financial Regulation to remove the prohibition on raising loans within the framework of the Union budget, and reinterpretation of Article 310 TFEU to allow debt within the framework of the Union budget under the condition that a clear pathway to debt repayment is provided;
c) Tightening the member-state budget deficit rules under the Stability and Growth Pact, while preventing austerity by addressing major macroeconomic challenges with cross-border impact at the Union level.

Reason

While the draft resolution clearly sets out our desired state, requiring Treaty change, it lacks an interim roadmap that could guide JEF until Treaty change happens, which could weaken our advocacy for many years to come.
In short, the purpose of the measures is the following:
a. the adoption of tax-like own resources for a sustainable and autonomous funding of the Union;
b. The permission to borrow within the framework of the Union budget. There could be tension with Article 310 TFEU, but if a very creative legal construction to borrow outside of the budget (NextGenEU) stood the constitutional test, a creative accounting solution can surely be found to comply with the principle of equilibrium;
c. Prevention of moral hazard. This does not mean that there needs to be total

austerity without a safety net! This only calls for a more federal fiscal policy, where the Union will provide for investments that would otherwise lead to member states' debt.