

A7-074

Motion

Proposer: JEF Netherlands (decided on: 04/16/2026)

Title: **A7-074: Regarding the Creation of a Fiscal Union**

Motion text

Insert after line 74:

1. Pending 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:

a. Adoption a new Own Resources decision under Article 311 TFEU that fully or partially substitutes member states' contributions with tax-like Union resources on economic cross-border activities; such new own resources must be of comparable or greater value than the replaced member-state contributions, and must be adjusted if the real revenue is lower than expected;

b. Amendment of Article 17(2) of the current Financial Regulation (Regulation 2024/2509) to remove the prohibition on raising loans within the framework of the Union budget, and reinterpretation of the principle of equilibrium under Article 310 TFEU to allow debt within the framework of the Union budget under the conditions that the debt is justified and a clear and realistic pathway to its repayment is provided;

c. Tightening of the member-state budget deficit rules under the Stability and Growth Pact, whereas major macroeconomic challenges with cross-border impacts would be targeted 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.