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# Women and taxation the EU horizon

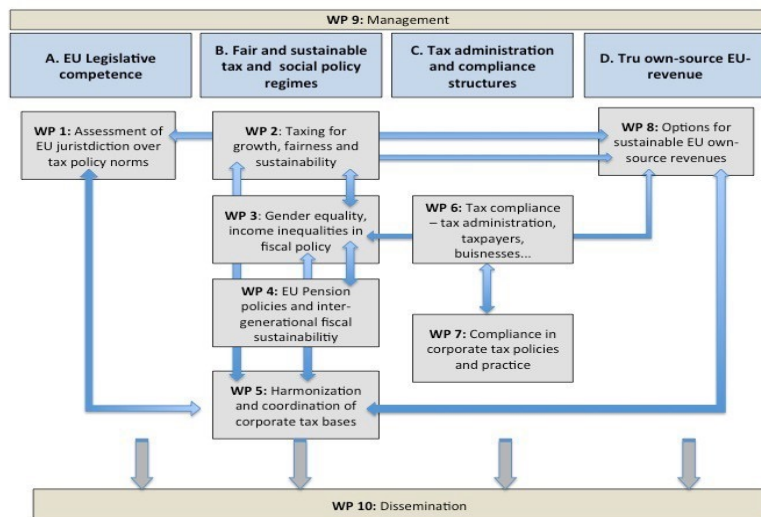
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Impact of Taxation on Gender Equality in the European Union Public Hearing on 13 January 2025  
EU Parliament Brussels

# Addressing the implicit gender bias in tax systems is a critical perspective with the ambition to achieve gender equality

Early research: Questioning the neutrality: Stotsky (1996) How tax systems treat men and women differently. EC 1984 reported on the discriminatory practises for secondary earners.



Explained how tax laws and tax policies have both allocative and distributional impacts on gender equality. Made analysis, based in legal obligations, on how fair and sustainable tax and social policy regimes should be designed to achieve substantive gender equality.

# Gendered patterns of subordination and indirect discrimination in tax systems of member states

- A general trend is that the dominance of a fiscal, efficiency driven tax policy to promote economic growth has shifted the tax burden from men to women. Due to persisting socio-economic inequalities, men have benefited more from:
  - reduced progressivity of PIT,
  - low taxes on capital and corporate income,
  - in work tax subsidies,
  - tax expenditures deviating from fundamental standards and principles.
- Member States tax systems continue to feed tax traps for secondary earners. If the magnitude of the problem of the tax wedge on secondary earners is to be recognised in its full context, much more has to be done within tax policies and regulations on both the EU level and the level of Member States. This view is adopted in a resolution from the EU Parliament (EU 2018/2019 No.34).

# Challenges to overcome

- Women are trapped in gender pay gaps, part-time work, the burden of unpaid care work, low level of capital income, livelihood businesses hinder to invest and grow, negative redistributive effects of increased and broad-based VAT.
- EU:s limited legislative competence in the field of taxation.
- The patchwork reality of national tax systems undermining tax fairness and tax sustainability. Increasing problem when weak parliamentary positions of governments.
- Post-covid; increasing gender gaps – lack of gender related reforms and investments in National Recovery and Resilience plans.

# **Suggestions for reform and research- follow the recommendations made by the European Parliament resolution on gender equality and taxation policies in the EU, 2018/20195 (INI).**

- The resolution of the European Parliament contains a list of important recommendations to the Member States and the European Commission. These recommendations not only address the underlying socioeconomic differences as one reason for gender differentiated outcomes of national tax systems but explicitly call for changes in the tax systems such as the abolition of all joint tax element and the introduction of full individual income taxation.