

Technology Industries of Finland

Foresight Centre's conference: Future-Proofing Tax
19 November 2021

Sustainable tax systems, TIF's low carbon road map 2035
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The Technology Industry – the Largest Export Sector in Finland

- **50 %** of total Finnish exports.
- **70 %** of private-sector R&D investment.
- Total employment effect: **1/4** of all employees in Finland.
- Technology industry comprises five sub-sectors:
 - **electronics and electro technical industry**
 - **mechanical engineering**
 - **metals industry**
 - **consulting engineering**
 - **information technology industries**
- Technology Industries of Finland (TIF) is a lobbying organization for Finnish technology industry companies.
- TIF has **1,600** member companies.



Sustainable tax systems



Taxation is a toolkit, not a goal.

We need to know the goal before we know what tools to use.

Green

Fair

Digital

Global co-operation

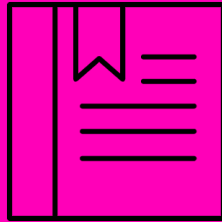
Teknoliigateollisuus' low-carbon road map 2035

Most of the emissions reduction methods are based on electrification of processes and machinery, increasing energy- and material efficiency, circular economy, and applying digital solutions.

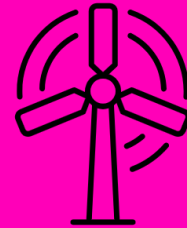


Prerequisites

International markets and fair rules for low-carbon solutions



Intelligent energy system, where low-emission and cheap electricity is available.



R&D- and demonstration activity that speeds up the development of technologies



Steady operational environment that advances industrial investments.



Sustainable tax systems - Green



Green

Cut emissions

- Energy and environmental taxation
- Support low carbon solutions, R&D tax incentives
- Global emission trading system
- Global (floor) price of carbon
- Revenue raising is not the primary objective. Effective environmental taxation will result in decreasing tax revenues.

Increase global effect

- Green export (Finland annual potential EUR30bn)
- Grow carbon handprint (emissions lowering global potential)

Fair

Digital

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Sustainable tax systems – Digital



Digital

Steady operational environment that advances investments: well functioning, appealing Digital Single Market

- R&D investment also in digitalisation
- Real time economy (RTE)
- Efficient, simple taxation
 - Digitalised, automated tax processes
 - Harmonised tax reporting
 - Savings in administrative costs (public and private)
 - Fight tax evasion and minimise tax gap
 - Harmonised tax base calculation (minimum tax)?

Green

Fair

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Sustainable tax systems – Fair



Fair

- Taxation system must be considered in its entirety (eg. VAT, energy and environmental taxation, WHT. Not just corporate taxation)
- Fair taxation on global, Member State, company and individual level
 - Impact assessments
 - Long term predictability, tax certainty
- Efficient, simple taxation (digital)

Green

Digital

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Sustainable tax systems – Global co-operation



Global co-operation

- Global tax solutions preferred
 - OECD solution for digitalised economy
 - Global (floor) price of carbon
 - Global principles for environmental taxation
- Global competitiveness
- Avoid trade tensions
- Tax dispute resolution and prevention

Green

Fair

Digital

Sustainable tax systems – Links to the Roadmaps

Green

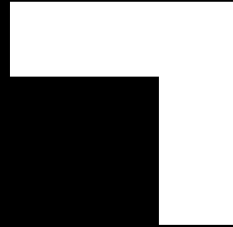
- Technology Industries of Finland, Publication of the Low-Carbon Roadmap, 2020 (in English):
<https://teknologiateollisuus.fi/en/focus/environment-and-sustainability/technology-industries-finlands-low-carbon-roadmap-solutions>
- Technology Industries of Finland, Summary of the Roadmap, 2020 (in Finnish):
<https://teknologiateollisuus.fi/fi/vaikutamme/kestaava-kehitys/teknologiateollisuuden-vahahiilitiekartta-ratkaisu-ja-ilmastohaasteeseen>
- Ministry of Economic Affairs and Employment Summary of the Sectoral Low-Carbon Road-Maps 2021 (in English),
<https://julkaisut.valtioneuvosto.fi/handle/10024/162851>

Fair

Digital

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Thank you!



**Technology Industries
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