

COVID-19 and Beyond

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BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

COVID-19 and Beyond: Three phases

- Measures addressing immediate need
- Stimulating recovery and increasing resilience
- Reducing government debt



Measures addressing immediate need

Maintain cash flow, protect employment, supply medical products

CIT, VAT/turnover tax, individual income tax, administrative measures

Ethical and reputational issues, moral hazard, responses from society



Stimulating recovery and increasing resilience

'Old economy' stimulation may not work today

Targeted rather than general measures?

Resilience: allowance for corporate equity?

Balancing stimulus and government debt



Reducing government debt

Inflation, restructuring, or increasing taxes? Necessity of reduction? Timing?

Post WW II: from 140% of GDP to 50% in 15 years - but significant growth!

Tax mix: balancing popular demand and efficiency/climate goals; address tax gap

