

## Demand for 'equal' tax regime for MNCs

STAFF REPORTER

Big multinational corporations (MNCs) across the world make profits beyond the imagination of common people in developing countries, according to a report by Tax Justice Network (TJN).

"These corporations hold the authority to control governments and laws across the world. Just to ensure more and more profits, they are riding over small governments and setting an environment to force them to let big corporations go untaxed," TJN, a UK-based global alliance, has said in its report "Ten Reasons to Defend the Corporate Tax".

EquityBD issued a press release yesterday, hailing the report, where it said the report was published at the right time when the governments of least developed countries and developing countries were grossly pushed to waive corporate taxes, but to impose regressive taxes on poor people. "A nation hardly develops by taxing poor, but leaving corporate tax free," it added.

International financial agencies, such as the World Bank and IMF, favour these MNCs and prescribe increasing VAT rates in low income. This is done to squeeze the poor more until they barely survive to keep the national revenue alive, the release alleged.

EquityBD, since its inception, has been opposing policies that increase inequality, it added. The TJN report further said corporate income taxes have added up to almost USD 7.5 trillion in OECD countries since the global financial crisis in 2008. This was almost half of all OECD public health spending and around double of public tertiary education.

Other areas of concern include: the corporate income tax curbs inequality and protects democracy; it enhances national welfare; a tax cut in one place may suck capital from others; it is particularly more important for developing and poor countries than the rich ones; it curbs rent-seeking, that tends to be more profitable than genuine productive activities; it doesn't stop at zero but turns negative and finally the corporate taxes spur transparency and more accountable government.

TJN director John Christensen said, "The corporate income tax is one of the best and most direct ways of taxing capital. As per current trends, the tax will soon disappear, ushering in an era of unaccountable, untaxed plutocracy and towering inequality in all countries."

A former US Supreme Court judge, Louis Brandeis, said, "We can either have democracy in this country or we can have great wealth concentrated in the hands of few. But we can't have both."

Rezaul Karim Chowdhury, the chief moderator of EquityBD, said, "When we, the CSO across the world, are urging for a redistributive justice for a post-2015 world based on the unsatisfactory achievement of MDG, we can't afford the MNCs to go untaxed as it only creates inequality."