



RESOLUTION No. 13) TAXATION

**The 29th World Congress of Public Services International (PSI),
meeting in Durban, South Africa, on 27-30 November 2012**

NOTES the following:

With the financial and economic crisis increasingly evident, a fair and redistributive tax system is needed more than ever.

A society based on solidarity requires a taxation system that provides it with the means to satisfy collective needs through effective public services.

The fiscal dumping advocated by international business and financial institutions leads governments to reduce taxes to the advantage of the wealthiest people and the multinationals.

Public services and collective social protection systems have been weakened, while social exclusion has increased, threatening democracy.

Therefore **DEMANDS** a genuine social and redistributive taxation policy:

- Income tax should return to being the main instrument of fiscal policy by strengthening its progressive character, which guarantees the correction of inequalities;
- A major reduction in indirect taxes such as those on consumption, which are unfair to people on lower incomes.
- A halt to regressive redistribution, which protects and prioritises income from capital;
- Higher rates of taxation on company profits, especially on profits that are not reinvested;
- A genuine readjustment of taxes on small companies and multinationals;
- A tax on financial transactions, which would produce considerable revenue;
- The fight against tax fraud, which deprives states of large amounts of revenue and must become a genuine priority. The use of tax havens must be ended and the banking system should be more transparent;

A new and better taxation policy is needed to respond adequately to the public and social needs of citizens and wage earners.

The PSI and its affiliates demand a fair taxation policy and sustainable quality public services, which are important for promoting solidarity and social progress.

See all [Congress resolutions](#) including the Program of Action and the Constitution.