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By PwC Deutschland | 26 November 2026

Commission calls for joint EU efforts to reduce tax gaps

Some days ago, the European Commission published its “Mind the Gap 2026” Communication, showing how enhanced tax compliance, improved governance of tax expenditures, better tax collection and more effective tax administration can help Member States protect public finances and create room for the investments Europe urgently needs.

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Every year, more than €200 billion in tax revenues is lost across the EU through tax compliance gaps. These are revenues that are legally due but remain uncollected because of tax evasion, tax avoidance, administrative shortcomings, or unintentional errors, the Commission said. Stronger cooperation between Member States is needed. The objective is clear: fairer, simpler and more effective tax systems that support investment, resilience and sustainable growth across Europe.

Key proposals in brief:

Build tax gap estimation expertise, improve and harmonize methods: Member States should strengthen their capacity to measure tax gaps by training dedicated staff and improving data and analytical tools.

Ensure detailed tax expenditure reporting: Member States should publish regular, comprehensive and detailed reporting of tax expenditures, showing their cost, beneficiaries and intended results.

Improve regular evaluation of tax expenditures to ensure value for money: Member States should evaluate tax expenditures regularly.

Boost digital transformation: Member States should replace fragmented IT systems with integrated digital platforms and make better use of data and AI-driven risk analysis.

Improve tax collection and recovery: Member States should strengthen tax collection and recovery by centralizing recovery functions, stepping up cooperation with courts and insolvency authorities, and better leverage cross-border assistance.

More details to be found in the Commission's **press release of 24 November 2026**.

Keywords

losses, tax compliance