Joint Research Centre

the European Commission's in-house science service

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Uses of EUROMOD during the Past year
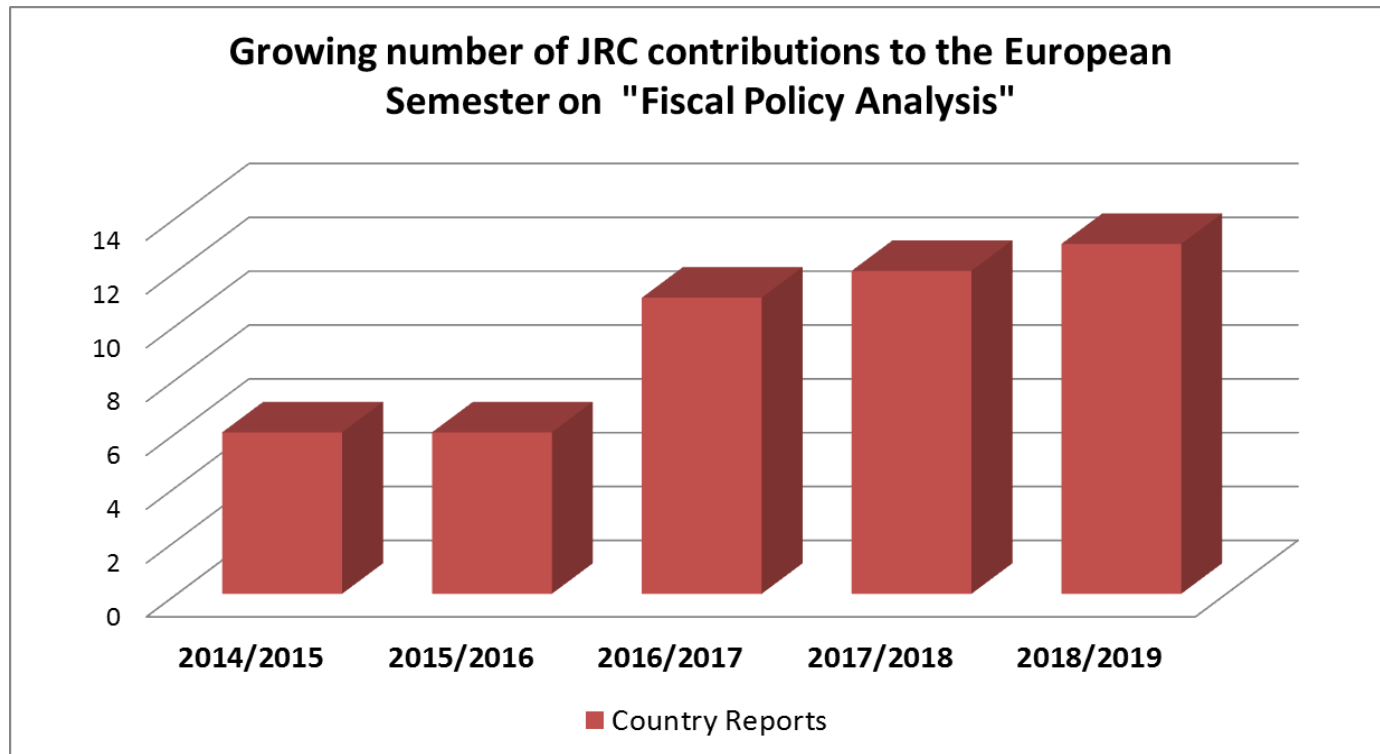
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Outline

1. What makes EUROMOD special for JRC?

2. JRC use of the EUROMOD model during the past year

3. Ongoing and future projects

- **Continuously updated**

- **Captures interactions** within the tax-benefit system

- **Complex policy reforms** (e.g. revenue-neutral tax shifts)

- **EU-wide policy reform proposals**

- **Flexibility to combine with other models (**e.g. **QUEST)**

- **Learning about tax and social benefit codes …**

- Use in the **European Semester policy cycle**: exante assessment of both hypothetical reforms and enacted reforms. Growing focus on distributional aspects.

Growing number of JRC contributions to the European Semester on "Fiscal Policy Analysis"

Legend: Country Reports

- **Development of extensions of the model** (joint work with academia) also used for policy analysis.

  - Labour supply effect of tax and social benefit reforms

  - Dynamic scoring & automatic stabilisation: interaction between EUROMOD and QUEST

  - Wealth and capital related taxation (EWIGE project).

  - Fiscal impact of migration.

  - Tax evasion and income under-reporting

  - Distributional impact of energy taxation (ITT)

  - Use administrative data in EUROMOD (Technical assistance to Greece)

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- **Use for technical assistance to Member States**

  - Close partnership with Structural Reform Service of the European Commission (Secretariat General).

- **Dialogue with the Member States in EC Commitees**

  - Tax expenditures in capital taxation
  - Energy taxation

- **EUROMOD extensions and thematic analyses**

  - Broadening interaction between EUROMOD and QUEST models
  - Impact of pension tax expenditures & OLG modelling
  - Long-term consequences of changing labour markets

Thank you !

Questions?