

ESSCA 2022

FISCAL POLICY VAT TAX RATE

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ESSCALAND

LIST CONTENT PRESENTATION

01

What is VAT ?

- How does it work in France ?
- How does it work in Italy ?

02

ESSCALAND

- What is ESSCALAND ?
- Where is it ?

03

How does VAT work in ESSCALAND ?

- Different VAT rates
- How did we choose them ?

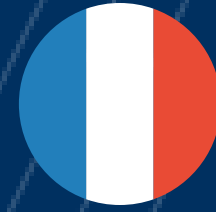
04

Consequences

What are the results and effects



What is VAT ?



HOW IT'S WORKS IN FRANCE

20% Standard rate

10% Reduced rate

5.5% Reduced rate

2.1% Super-reduced rate



HOW IT'S WORKS IN ITALY

22% Standard rate

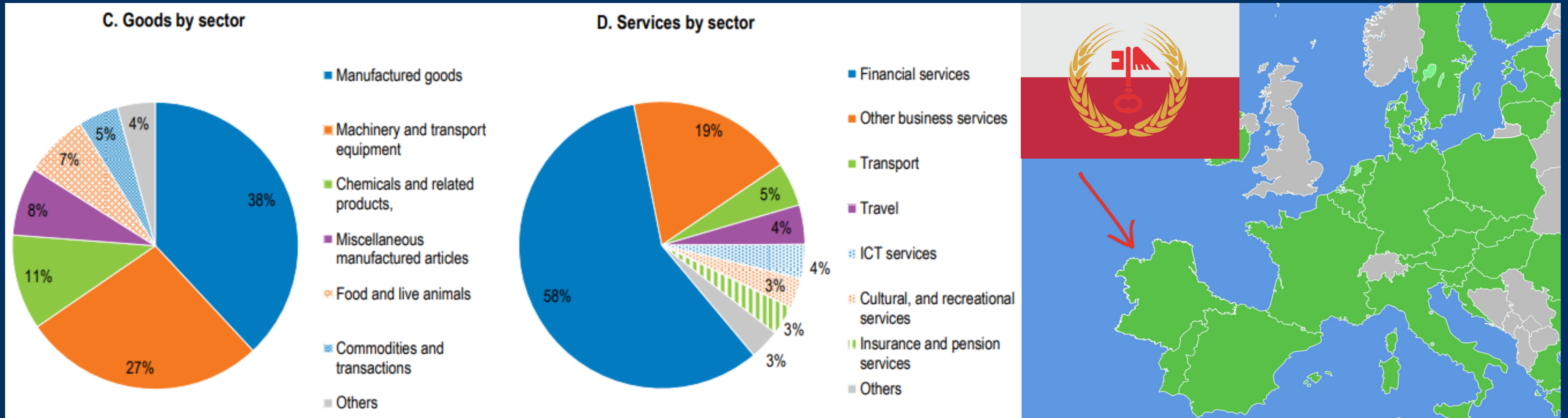
10% Reduced rate

5% Reduced rate

4% Super-reduced rate



HOW DOES IT WORKS IN ESSCALAND



DEMOCRATIC REPUBLIC
400 M KEYS GDP

NOT EU MEMBER
1KEY= 1.26 EUR

30 000 citizens
Gini score: 0,36

Our tax proposal

Health

- **2.1%:** Organic-grow food and basic necessities
- **5%:** Food in general

Health
is wealth

Culture

- **2.1%:** for all cultural activities



Transport

- **20%:** Fuel
- **5%:** public transports (train, bus, TER ...)
- super rate of **30%:** air transport



CONSEQUENCES OF REDUCED TAX (2,1%) ON HEALTHY FOOD



POLITICAL

- Producers of junk food are against the reform and are the loser;
- Agriculture and healthy food producers are happy, they produce more and at the same price

ECONOMIC

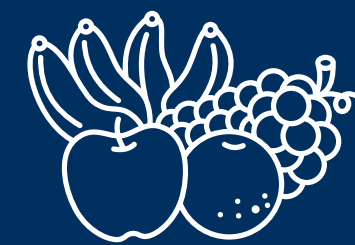
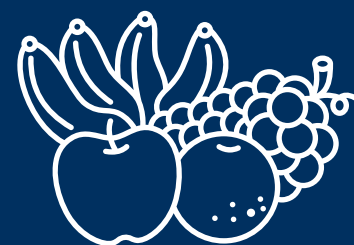
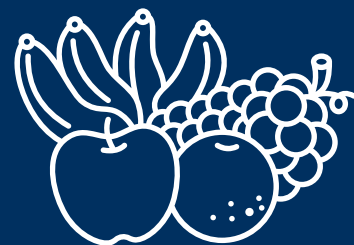
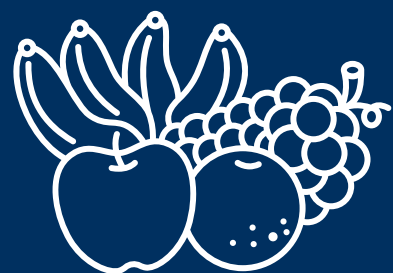
- Increasing in the healthy food demand;
- Increasing in the trade

SOCIAL

- Enhance the welfare of citizens;
- Decrease of healthy issues and pathologies linked with alimentation

ENVIRONMENTAL

Environmentally Friendly



CONSEQUENCES OF REDUCED TAX (2,1%) ON CULTURE



SOCIAL

- improving individuals physical and mental health;
- raise happiness;
- enhance cognitive skills and educational growth;
- higher future earnings;
- higher social cohesion and higher participation in civil life.

ECONOMIC

- Demand for cultural goods and activities raise;
- Less beneficial than vouchers.

ENVIRONMENTAL

Enhance local and regional development (tourism and revitalization of places)

POLITICAL

Citizens will be supporting the reform since they can benefit of cultural events and consume cultural goods at a lower price



CONSEQUENCES OF REDUCED TAX (5%) ON TRANSPORT AND SUPER TAX ON FLIGHTS (30%)



POLITICAL

conflict of interests in the reform between private airline companies and population

ECONOMIC

- Private transportation usage substituted by public transportation;
- Loss in terms of money and clients for airline companies

SOCIAL

- Increase of social welfare within the cities because it is easier and cheaper to move;
- Discontent because flights are not incentivized

ENVIRONMENTAL

- Positive effect on the environment, as both the reforms decrease in pollution and congestion;
- Decrease in the negative externalities triggered by the transports

