



05 July 2021

To G20 Finance Ministers:

More than a year since the World Health Organisation declared it a pandemic, COVID-19 is still raging, particularly in the developing world where hundreds of thousands of lives have been lost and tens of millions more forced into destitution. The current situation continues to require strong social protection measures in all countries to ensure that the poor and vulnerable are able to weather the crisis' unprecedented health and economic consequences.

The pandemic has revealed once again the importance of people's access to essential health care and basic income security throughout their lives. To date rich countries have spent 35.6 percent of their GDPs on responding to the health emergency and supporting employment and businesses. In contrast, low-income countries were only able to expend a meagre 6 percent of their GDPs on fighting the pandemic and are even now struggling to meet the demands of protecting their citizens. In particular, resources to initiate and accelerate life-saving vaccination programmes are sorely lacking.

As the most sustainable source of revenue, tax systems have a pivotal role to play in bolstering social sector initiatives and financing the recovery from the crisis. No doubt the impact of the crisis on many countries' fiscal health will be significant and long-lasting but robust and transparent tax systems offer a pathway out of deficit and debt to a more equitable and sustainable future.

We acknowledge recent efforts by the international community at tax reform, not least the G7 proposal for a 15% global corporate minimum tax. Despite its characterisation of historical significance, the proposal is underwhelming. It is much lower than the 25% rate called for by the Independent Commission for the Reform of International Corporate Taxation (ICRICT) and is unfair for poor countries that do not house headquarters of multinational corporations (MNCs). Much more must be done.

Representing more than half a billion Christians worldwide, our organisations – the World Council of Churches (WCC), World Communion of Reformed Churches (WCRC), Lutheran World Federation (LWF), World Methodist Council (WMC), and Council for World Mission (CWM) – believe that it has never been more urgent and necessary to fix our broken global tax system.

The endemic injustices of global poverty, racial inequity, health inequality and climate change are rooted in the legacies of colonial exploitation and resource extraction, and call for systemic change. Our organisations view the system-wide overhaul of the tax architecture as an indispensable element in resourcing reparation and restoration.

The pandemic shows us people's lives and livelihoods are at stake, at a time when the life of the earth is also under threat. Not only is tax justice at the heart of any recovery plan, it is crucial for mitigating widening inequality and stepping up to the challenges posed by a rapidly warming climate.

We therefore reiterate the following calls as part of the ecumenical Zacchaeus Tax campaign:

- **Enactment of progressive wealth taxes** at global and national levels to curb the growing concentration of wealth hand-in-hand with increased public spending to stamp out poverty.
- **A stop to tax evasion and avoidance by MNCs** and affluent individuals. Developing unitary methods of corporate taxation to ensure that MNCs pay taxes where economic activities occur, closing tax havens, publishing country-by-country reports of profits and establishing a United Nations commission for tax cooperation can build a fairer and more transparent system of corporate taxation.
- **Progressive carbon and pollution taxes** at different levels to restrain harmful emissions and raise revenues for investment in renewable energy as well as for meeting the costs of climate change mitigation and adaptation and reparations for climate-related loss and damage in income-poor and vulnerable countries.
- **Implementation of a financial transaction tax** on trade in equities, bonds, currencies and derivatives to curb harmful speculative activities. Proceeds would be allocated towards global public goods and the protection of our ecosystems, as well as towards reparations for slavery and other historical injustices.

Moreover, we call for a **COVID-19 windfall tax** or excess profit tax on the super-wealthy, equity and hedge funds, and multinational, e-commerce, and digital corporations that are realising even greater returns during pandemic times. Those that are benefitting from the crisis ought to shoulder the bulk of the financial burden to pay for the recovery.



As you gather as G20 finance ministers on 09 July in Venice, Italy for the International Taxation Symposium, we pray that you carefully consider the proposals that we have outlined above. We pray that your meeting produces outcomes that “leave no one behind” and safeguard our only planetary home for current and future generations.

Yours sincerely,

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H.E. Mr Mario Draghi, President, G20, and Prime Minister, Italian Republic

H.E. Mr Antonio Guterres, Secretary-General, United Nations (UN)

Ms Isabelle Durant, Acting Secretary-General, UN Conference on Trade and Development

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