POLICY PAPER

Economy, Taxation and Enterprise

Low taxes, private enterprise, spending discipline and national resilience.

The CNU supports a competitive market economy in which work, saving, ownership and investment are rewarded. The state should be limited in ordinary economic life but capable of protecting essential national systems and sound public finances.

Tax reform

- **Personal allowance:** A generous tax-free allowance removes the lowest-paid workers from income tax and rises with ordinary earnings.
- **Simple income-tax bands:** A 20% standard rate applies to ordinary taxable income and a 35% higher rate applies to high incomes.
- **Company taxation:** The combined headline tax on company profits falls in stages to 15% within five years.
- **Start-up rate:** New German small businesses pay 10% on profits for their first three profitable years, with rules preventing artificial transfer from an existing company.
- **Full expensing:** Businesses may immediately deduct qualifying investment in machinery, software, research, training and industrial buildings.
- **Inheritance tax:** Family homes, farms and operating family businesses are exempt first; the remaining inheritance tax is phased out by the end of year three.
- **Consumption tax:** The standard rate is reduced by two percentage points only after the current budget is balanced and the change is independently costed.
- **No wealth tax:** The party rejects annual taxes on accumulated savings, homes and productive assets.

Enterprise and regulation

- **Fast formation:** A lawful business can register through one secure portal within 48 hours.

- **Permission by exception:** A licence is required only where a clear safety, environmental, financial or security reason exists.
- **Regulatory sunset:** Major regulations expire after seven years unless Parliament reviews and renews them.
- **One-in, two-out:** A department introducing a significant new compliance cost must remove two comparable costs elsewhere.
- **Family-business protection:** Reporting thresholds rise for small firms, late payment is penalised and family ownership is protected during succession.
- **Real competition:** Cartels, political favouritism and protected monopolies are opposed as strongly as unnecessary regulation.

Public spending

- **Zero-based review:** Every national programme must regularly justify its purpose and cost instead of receiving an automatic annual increase.
- **Protected priorities:** Police, courts, essential infrastructure, healthcare capacity and support for severely disabled citizens remain protected.
- **Spending reductions:** Duplicated administration, ineffective grants, political consultancy and subsidies without measurable public value are reduced or ended.
- **Procurement reform:** Public contracts use open tendering, published delivery data and personal accountability for fraud or repeated failure.
- **No hidden liabilities:** Pension promises, guarantees and long-term contracts are recorded transparently in national accounts.

Fiscal rules

- **Balanced current budget:** Day-to-day revenue covers day-to-day spending by the end of year three.
- **Debt discipline:** Public debt is placed on a path below 60% of national output, with temporary exceptions only for severe national emergencies or deep recession.
- **Capital distinction:** Long-lived infrastructure may use carefully limited borrowing when costs, benefits and maintenance obligations are published.
- **Independent costing:** Major tax and spending measures receive a public five-year estimate before passage.
- **Automatic correction:** If revenue falls substantially below plan, discretionary spending growth pauses before taxes are increased.

First-term commitments

- **Commitment:** Introduce full investment expensing and the 10% start-up profit-tax rate.
- **Commitment:** Begin the staged reduction of company taxation to 15%.
- **Commitment:** Launch zero-based reviews of departments, grants and procurement.
- **Commitment:** Balance the current budget by year three before reducing consumption tax.