

1 July 77V

Le Monde, 25 June 1977 p. 6: Debate ~~of~~ Fiscal fraude in
The Assemblée Nationale.

The main issue of the debate concerned ways to protect individuals being audited from the authoritarian powers of the revenue department agents. There is justice in this in so far as the agents can ask for records, which, if not given, allow the agents to make a new assessment on the presumption of guilt. The individual must either pay the additional tax or produce records to explain the discrepancy. This has obviously become especially severe since the introduction of the fraude vie, dépenses extensibles and enrichissement bases of ~~and~~ reviewing tax returns introduced in the 1960's. In months preceding the proposed reform of the law, several small merchants had committed suicide in the course of being reviewed, and this "mental torture" was alleged to have been at the base of it.

The thrust of the law would be to make the administration prove the fraude rather than (it seems from my reading) ^(between income & expenses/gardians) just to make the charge on assumptions of discrepancies and force the individual to prove innocence. But given the system of "causes noires" and double record keeping so common in France, such proof would be very difficult to adduce.

On the other hand, the penalties for fraude also were reviewed in this law, and two supplementary penalties (besides paying the fine) were suggested: one serious, one laughable.
(see "Penalties for fraude of this date")
(out)

One major revision, in line with harassment, is to put limits on right to descend upon the place of business (to demand records) when that place is also one's home. Clearly, the fiscal agents were trying surprise tactics to seize records before they could be secreted; in case of shop/home combination, the possibility of hiding the "noise" at home is lost.

Henceforth a court writ necessary for this kind of entry. In general, the individual being investigated should have more guarantees. Someone even proposed a separate "Procédure Fiscale" to go along with the Procédure Civile & Procédure Pénale.

The "grave fraude" cases to go to a new commission: whenever the sum in default is 300,000 NF (\$60,000) or more. That commission is a tribunal, and so the entrance of big cases in civil law by a kind of saisine judiciaire, has begun.

The author of much of this, it seems, was one H. Boulin, "ministre délégué à l'économie et aux finances"; who battled against amendments from the right & the left, especially against extravagant proposals which he esteemed would overcharge the new instruments and thus nullify rather than intensify their effect.