

Issue: "Fight against tax evasion in Germany"

This was one of the most essential issues relating to the tax affair, which was a constant theme throughout the media reporting.

First of all, there was an obvious interest in Germany – for whatever reasons (see also Chapter 6.9) – to keep the interest focused on Liechtenstein to the extent possible, with at times hard-line rhetoric. Initially, Liechtenstein was referred to as a "den of thieves", a "modern form of robber barons" or even a "rogue State". This offered a breeding ground for proposals to increase the penalties for tax evasion from 10 to 15 years. But not everyone agreed to this attitude and approach. A comment in a letter to the editor in SPIEGEL 9/2008 represents many voices from Germany that were also expressed in e-mails to the Liechtenstein Government: "The call by our politicians for higher penalties for tax evaders is embarrassing and demeaning. The incitement to public persecution, the parading of individuals – solely with a view to getting more votes – is indecent and disgusting, since the politicians themselves are up to their elbows in the pie. Germany as a business location itself is threatened by the tax legislation."

Some interest groups took the tax affair as an occasion to treat the symptoms within Germany and to get a grip on the problem of tax evasion. The German Confederation of Trade Unions and politicians demanded more staff for the tax authorities: "We need more tax investigators and corporate auditors, and we need better coordination between the states and the Federal Government." (Michael Meister, Deputy Chairman of the CDU/CSU parliamentary group, Handelsblatt, 19.2., 2) or "First of all, we need better resources for tax investigators at the federal level and strengthening of the special prosecutors." (Reinhard Bütikofer, head of the Green party, FTD, 19.2., 26). The headline of the Tagesspiegel on 20.2.2008 (p. 4) read: "The prosecution pressure must increase."

In any event, the tax affair was an occasion for conducting a controversial discussion in Germany about possible simplifications of the tax system. While Federal Minister of Finance Steinbrück (SPD) categorically rejected this suggestion, Bavarian Minister of Finance Huber (CSU) and FDP tax expert Solms, along others, demanded radical simplifications of the German tax system (dpa, 24.2.2008). In the case of tax evasion by Klaus Zumwinkel, the goal was apparently to achieve an effect on other tax evaders, even though certain claims had to be taken back rather quickly: At eight o'clock in the morning, the news spoke of tens of millions in taxes that allegedly had been evaded. By five o'clock in the afternoon, that sum had been reduced to a million euros. This is certainly still a lot of money, but not enough for a "public execution in the media". What happened to the presumption of innocence? The uneasy feeling persists that the nationally renowned Klaus Zumwinkel was being used as a public deterrent. The search of Zumwinkel's home was nothing other than a modern media pillory, which even the otherwise serious FTD published on 25.2.2008 (p. 26): "Eventually, the tax investigators catch everyone."

Issue: "Tax competition vs. tax harmonization"

The topic of tax evasion in Germany in a broader sense, with a view to the degree of tax honesty in Germany and other European countries, was initially at the surface and primarily an issue in the mass media. But in fact, an entirely different, larger and global issue was hidden behind it, namely tax competition vs. tax harmonization. For example, Euro am Sonntag (2.3.2008, 22) wrote under the headline "Engaged in global competition": "Tax flight