Value added tax (VAT): common system

2007/0238(CNS) - 03/06/2008

The Committee on Economic and Monetary Affairs adopted the report by Dariusz **ROSATI** (PES, PL) amending, in the framework of the consultation procedure, the proposal for a Council Directive amending various provisions of VAT Directive 2006/112/EC of 28 November 2006 on the common system of value added tax.

The main amendments aim to:

- clarify the scope of the special VAT scheme for the supply of natural gas, heat and refrigeration: MEPs propose: (a) including a cross-reference to the Directive 2003/55/EC concerning common rules for the internal market in natural gas, which includes common definitions of transmissions of gas through pipelines and distribution of gas; (b) amending the title of Section IV of Chapter 1 of Title V of the VAT Directive in order to make sure that it covers the supply of natural gas through transmission or distribution networks; (c) specifying that "transport by vessel" is understood to take place from pipeline to pipeline;
- clarify the rule concerning the right of VAT deduction in the event of acquisition, construction, renovation or substantial transformation of immovable property: according to MEPs, minor repairs or improvements that are of limited economic significance should be excluded from the scope of this Directive.