

Value added tax (VAT): common system

2007/0238(CNS) - 08/07/2008 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted, by 625 votes in favour to 22 against with 15 abstentions, under the consultation procedure, a legislative resolution amending the proposal for a Council Directive amending VAT Directive 2006/112/EC on the common system of value added tax. The report had been tabled for consideration in plenary by Dariusz **ROSATI** (PES, PL) on behalf of the Committee on Economic and Monetary Affairs.

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 provision.