

Value added tax (VAT): reduced rates

2008/0143(CNS) - 07/10/2008

The Council took note of the presentation by the Commission of three working documents on reduced rates of VAT, following on from a ministerial discussion at an informal meeting in Nice on 13 September 2008. It held an exchange of views, on that basis, on the economic and budgetary impact of reduced VAT rates, their advantages and disadvantages, and on whether they were an appropriate instrument for achieving sectoral policy objectives.

Last December, the Council agreed to conduct a policy debate on the impact and usefulness of reduced rates. In July 2008 the Commission submitted an initial proposal (see the summary dated 7 July 2008), which will be examined by the Council at its November meeting.