

Value added tax (VAT): reduced rates

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The Committee on Economic and Monetary Affairs adopted the report by Ieke van den **BURG** (PES, NL), approving the proposal for a Council directive amending Directive 2006/112/EC as regards reduced rates of value added tax, with a series of amendments proposed by the Committee on the Internal Market and Consumer Protection, which was asked for an opinion.

These amendments highlight the fact that reduced VAT rates would have a positive impact in reshaping many service sectors as they would reduce the level of undeclared work. In this context, Member States should provide clear and accessible guidance to undertakings on the scope of reduced VAT rates.

With regard to the housing sector, the amendments stress that the Directive also makes it possible for Member States to apply reduced VAT rates to renovation and repair work aimed at increased energy savings and efficiency.