Own resources: methods and procedure for making available the value added tax (VAT) based own resource

2011/0333(CNS) - 12/10/2012 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Budgets adopted the report by Jean-Luc DEHAENE (EPP, BE) on the proposal for a Council regulation on the methods and procedure for making available the own resource based on the value added tax following the consultation procedure in the framework of a special legislative procedure (consultation of Parliament). The report recommends that the European Parliament approves the Commission proposal. It considers that the strongest advantages of the new VAT proposal are transparency, fairness to taxpayers in all Member States, improved simplicity and potential to turn into a genuine own resource directly accruing to the EU budget in the future.

Members call on the Commission to come up with **concrete proposals how to further reform the VAT own resource so that it accrues directly to the Union budget** in the 2014 - 2020 period or in a further revision of the own resources system. They recall that Parliament, in its resolution of 23 October 2012 on the MFF procedure, expressed a strong belief that the VAT is one of the conditions for the necessary political agreement on Own resources and that an agreement on the reform of VAT as own resource, as well as its implementing modalities, must be concluded together with the agreement on the MFF. They also recall that Parliament has several times reiterated its position that a reform of the own-resources system of the Union is needed, in particular in relation to the existing VAT resource, with the aim of reverting to its initial idea of that resource being a genuine own resource and not a pure statistical device.

Lastly, the committee calls for a practical follow-up to the Commission's Green Paper on the future of VAT and concrete measures that will ensure a higher degree of harmonisation of the VAT systems in the Member States, since it is only such harmonisation that can provide the basis for making the VAT a genuine own resource, accruing directly to the Union budget in the future.