Reduced rate of excise duty on certain alcoholic products produced in the autonomous regions of Madeira and the Azores

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The Committee on Regional Development adopted, under the consultation procedure, the report by Younous OMARJEE (GUE/NGL, FR) on the proposal for a Council decision authorising Portugal to apply a reduced rate of excise duty on certain alcoholic products produced in the autonomous regions of Madeira and the Azores.

The committee recommended that the European Parliament approve the proposed decision without amendment.

As a reminder, the current Council Decision No 376/2014/EU authorises Portugal to apply reduced rates of excise duty of up to 75% of the standard national rate to rum and liqueurs produced and consumed in Madeira and to liqueurs and eau-de-vie produced and consumed in the Azores.

The Commission proposes to adopt a new decision authorising Portugal to apply a reduced rate of excise duty in the autonomous regions of Madeira and the Azores.

The proposal:

- extends the current derogation by allowing the Portuguese state to reduce excise duty by up to 75% compared to the normal rate on locally produced rum, liqueurs and eaux-de-vie sold in Madeira and the Azores;

- introduces a new provision allowing the Portuguese state to reduce excise duty by up to 50% compared to the normal rate on rum, liqueur and eau-de-vie produced in Madeira and the Azores but sold in mainland Portugal.

This derogation from taxation rules is justified by its extremely limited scope and by the economic difficulties inherent to production in the outermost regions.