Reduced rate of certain indirect taxes on 'traditional' rum produced in Guadeloupe, French Guiana, Martinique and Réunion

2020/0150(CNS) - 06/10/2020 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 680 votes to 5, with 4 abstentions, (following a special legislative procedure - consultation), a legislative resolution on the proposal for a Council decision authorising France to apply a reduced rate of certain indirect taxes on 'traditional' rum produced in Guadeloupe, French Guiana, Martinique and Réunion.

Parliament approved the Commission's proposal without amendment.

The proposal provides for the application of specific measures on rum taxation for the entire duration of the next multiannual financial framework, which will run from 2021 to 2027. This derogation from the tax rules is justified by the economic difficulties inherent in production in the outermost regions.

In concrete terms, the proposal:

- authorises France to reduce the excise duty and the social security contribution on ‘traditional’ rum produced in Guadeloupe, French Guiana, Martinique and Réunion and sold in mainland France, up to a limit of 50% of the standard rate;

- defines the rum covered by the derogation: it must have an alcoholic strength of at least 40% and the cane sugar used as a raw material must be of local origin;

- fixes at 153 000 hectolitres of pure alcohol per year the quantities of rum originating in the overseas departments eligible for this derogation;

- obliges France to submit reports on the implementation and impact of the derogation.