Canary Islands: temporary extension of the tax "arbitrio" on production and imports APIM

2000/0353(CNS) - 09/01/2001 - Legislative proposal

PURPOSE : to authorise the Spanish authorities, for a transitional period which should not extend beyond 31 December 2001, to impose a tax on production on all products entering or produced in the Canary Islands at rates which shall not exceed those in force on 31 December 2000 as a result of the application of Council Regulation 1911/91/EEC of 26 June 1991. CONTENT : Council Regulation 1911/91/EEC authorises the levying of a tax on production and imports (APIM) up to 31 December 2000. The Commission must ensure that Article 299(2) of the EC Treaty is applied in various areas including tax policy and is undertaking to do so in partnership with the Member States concerned on the basis of requests from them. The new tax which the Spanish authorities intend to introduce in the Canary Islands to offset the handicaps referred to in Article 299(2) of the EC Treaty must be assessed in light of the principle laid down by Article 299 that the measures adopted must not undermine the integrity and the coherence of the Community legal order, including the internal market and common policies. The process of evaluation will continue after 31 December 2000. However, in order to safeguard economic activity in the sectors concerned in the Canary Islands and to ensure a transition up to the introduction of the new tax measures implementing Article 299(2) of the EC Treaty, the Spanish authorities have asked for the APIM to continue at the levels as at 31 December 2000.