Value added tax VAT: taxation of agricultural outputs (amend. Direct. 77/388/EEC)

1994/0324(CNS) - 19/07/1995

The Committee on Economic and Monetary Affairs adopted the report by Mr Alman METTEN on the proposal for a directive on the common system of Value Added Tax (taxation of agricultural outputs). This report amends the 6th VAT Directive in the context of the single market. Working on the findings of an independent study, which indicated that the lifting of fiscal barriers in 1993 had not radically altered purchasing behaviour, the rapporteur proposed including in Annex H (products subjected to reduced rates of VAT) those services which entailed a high intensity of low-skilled labour, in order to be in line with the White Paper on growth, competitiveness and employment. Similarly, the rapporteur proposed including in the Annex those products bearing the European environment-friendly label, which are not subjected to significant cross-border competition.