Common system of VAT: a programme for the single market

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Following a very narrow vote, the Committee adopted a report by Christa RANDZIO-PLATH (PES, D), endorsing the Commission's work programme for the creation of a common system of VAT. Although the Committee in principle supported the move to a system based on taxation in the country of origin, it underlined that this is not an opportune time to do so. For one thing, the Committee considered it politically difficult to narrow or widen the current band of standard tax rates, something that might be necessary. Furthermore, the Committee held, the move to a definitive system is a very long process, but the problems of the current system are of such a magnitude that they must be remedied urgently. Thus, the Committee called on the Commission to devote all its energy to improving the current, transitional system. In addition, the Committee requested that the Commission to put forward a proposal for amending Directive 92/77/EC in order to introduce reduced tax rates for certain labour-intensive services.