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

1994/0324(CNS) - 28/11/1995

At its plenary sitting, initially on 28 September and then on 13 November, Parliament failed to adopt the legislative resolution on the proposal for a directive seeking to amend Directive 77/388/EEC on the common system of Value Added Tax (rapporteur Mr Alman METTEN, PSE, NL). In fact, the Commission had stated that it could not accept Parliament's amendments, particularly that which sought to apply a reduced rate of VAT to services entailing a high intensity of low-skilled labour. As a result of his contacts with the Commission, the rapporteur, Mr METTEN, proposed a compromise amendment which had been accepted in principle by the MRC. The text provided for a study to be undertaken in order to assess the impact which such a reduction would have on employment creation, particularly with regard to the introduction of a reduced level of VAT for the end consumer in different sectors. These findings would be used as a basis for possible amendments to the 6th VAT directive.