Fuels: tax for commercial diesel fuel, excise duties on petrol and diesel fuel

2002/0191(CNS) - 10/09/2003

The committee adopted the report by Piia-Noora KAUPPI (EPP-ED, FIN) rejecting the Commission proposal under the consultation procedure. It was unconvinced that "gasoline tourism" was really a problem of such magnitude as to warrant total harmonisation as proposed by the Commission. The rapporteur also questioned whether it was actually desirable to eliminate tax differences between Member States, saying that "an element of tax competition is quite healthy". Another of the committee's concerns was the impact the proposal might have on the candidate countries, some of which currently apply much lower taxes than those in the EU. The proposed harmonisation would result in higher taxes in most cases, which would place tremendous burdens on the new Member States. Lastly, the commitee pointed to a number of practical problems which would result from a system of differentiated tax rates for commercial and non-commercial diesel (potential fraud, extra red tape if a refund system were introduced, etc.).