Taxes: taxation of passengers cars at national and Community levels

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The committee adopted the own-initiative report drawn up by Mary HONEYBALL (PES, UK) in response to the Commission communication on taxation of passenger cars in the EU. The committee agreed that there was an urgent need to restructure vehicle taxes in the EU and that urgent action must be taken at national level to remove barriers to the free movement of persons and cars so as to guarantee the proper functioning of the internal market, while also addressing wider policy considerations including the EU's environmental commitments. It said that, without environment-oriented taxation, the objectives of the three-pillar Community strategy on CO2 reduction and the shared goal of achieving a CO2 level of 120 g/km for new cars by 2010 at the latest would be in jeopardy and could not be realised. The committee therefore called on the Council to implement the third pillar of the Community CO2 strategy speedily. It also called on the Commission and Member States to ensure that tax benefits are accorded to low-pollution passenger vehicles. The report added that it was unacceptable that, 10 years after the launch of the Single Market, such a large number of obstacles to transfer of cars caused by administrative practices or procedures still remained. It said that, for example, registration and insurance requirements for temporary transfers from one Member State should be reformed and made more flexible and the time and expense required for the import or export of a vehicle should be reduced. The Council was urged to make greater efforts to facilitate the passage of the necessary measures, which concerned issues directly affecting the daily lives of European citizens. The committee also called on the Commission to present proposals, before the end of November 2003, as a temporary solution pending measures to abolish registration taxes, and to present proposals to overcome internal market barriers resulting from registration taxes.