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

1994/0324(CNS) - 13/12/1994 - Legislative proposal

The proposal for a directive seeks to allow the Council to give a ruling on the taxation which will apply to agricultural products from 1.1.1995, as required by Community VAT legislation. The aim is to consolidate fiscal equality in the internal market by eliminating distortions of competition which have arisen as a result of structural imbalances in the level of VAT rates currently applied by Member States to supplies of agricultural products. To this end the directive proposes extending to all Member States, on a temporary basis, the option of applying a reduced rate to supplies of agricultural outputs of the floricultural and horticultural sectors (including bulbs, roots and the like, cut flowers and ornamental foliage), and wood for use as firewood.