Value added tax VAT: level of the standard rate (amend. direct. 77/388/EEC)

1995/0362(CNS) - 20/12/1995 - Legislative proposal

- OBJECTIVE: the proposal for a directive will allow the Council to take a decision on the minimum level of the standard rate, as required under Community VAT legislation (Directive 77/388/EEC). The decision is required in order to consolidate the functioning of the single market from a fiscal standpoint, both in the context of the transitional arrangements currently in force and in the light of the preparation of definitive arrangements for the common system of Valued Added Tax. - SUBSTANCE: - the current standard VAT rate band which applies in different Member States is not to be extended (with the effect that the current difference between rates - 15% and 25% - will not be increased); - the proposed minimum and maximum levels of the standard rate are not to be considered as definitive but shall, at the Commission's initiative, be subject to revision after a period of two years; - Directive 77/388/EEC is not amended in respect of reduced rates.