Value added tax VAT: derogations granted to Austria and Portugal (amend. Directive 77/388 /EEC)

1999/0272(CNS) - 17/12/1999 - Legislative proposal

PURPOSE : proposal for a Council directive amending Directive 77/388/EEC on the common system of value added tax · transitional provisions granted to the Republic of Austria and the Portuguese Republic. CONTENT : In respect of VAT, the proposal: - permits Austria to apply one of two reduced rates to the letting of residential property, provided that the rate is not lower than 10% ; - permits Portugal to apply one of two reduced rates to restaurant services, provided that the rate is not lower than 12%; - The decision in both cases is made on the basis that maintaining the normal rate had adverse consequences. The application of these derogations is limited to the transitional period referred to in Article 281 of the Directive.