Value added tax VAT: right to deduct

1998/0209(CNS) - 14/01/1999 - Text adopted by Parliament, 1st reading/single reading

In approving its opinion on the rules governing the right to deduct VAT drafted by Mr. Riccardo GAROSCI (I, EPP), the European Parliament adopted a number of amendments. The essence of the amendments is as follows: - that rules and conditions in the Member States with respect to deductions of VAT and exemptions for certain persons/activities (cultural, artistic, musical, health-related, etc.) need to be brought closer together; - that expenditure on accommodation, food and drink, when incurred in the context of a professional activity, should be considered no different from other business expenditure (whereas the Commission had proposed that these expenses be deductible at the rate of 50%); - that the importance of the hotel, restaurant and cafe sector for employment and social integration be taken into account in the framing of these rules.