

Taxation of energy products and electricity

1997/0111(CNS) - 09/02/1999 - Text adopted by Parliament, partial vote at 1st reading/single reading

The proposal for a Council Directive restructuring the Community framework for the taxation of energy products was rejected by the European Parliament and referred back to Committee, although a number of amendments were adopted, notably those relating to the following areas: - setting out as a long-term objective a Europe-wide ecological tax reform; - stressing that the European Union has undertaken, not only to stabilise greenhouse gas emissions in the atmosphere, but in time to reduce them; - underlining the importance of taxation of energy products as a key instrument for achieving this; - requiring that minimum levels of taxation must reflect not only the competitive position but also the environmental and public health effects of energy products; - allowing Member States, pending the adoption of common rules on energy tax, to apply other parameters to their national systems of energy taxation which are positive for the environment and public health, without being in breach of single market rules; - deleting reference to the drawing up of a schedule of biennial increases in minimum taxation levels; - exempting renewable energy sources from the proposed directive; - requiring the Commission and Member States to seek an abolition in future international agreements of the exemption of products for use in commercial aviation from taxation on fuel; - defining the meaning of "electricity and heat" for the purposes of the proposed directive, together with exemptions; - raising the proposed minimum taxation levels for motor fuels, heating fuels and electricity and heat; - indexing minimum levels of taxation to increase automatically each year at the annual rate of inflation plus 2% until the Council adopts a new system; - deleting certain total or partial exemptions to the proposed directive other than those laid out in Directive 92/12/EC on exempt uses of taxable products and adding three new ones; - providing for the authorisation of Member States to partly or fully refund the tax paid by individual firms where those firms can demonstrate that the tax burden is leading to a serious competitive handicap; - deleting certain other provisions on refunds. The European Parliament's rapporteur was Pat Cox (ELDR,IE).