

Financing the Union 2000-2006: own resources, European Council, Berlin, March 1999

1999/0139(CNS) - 17/11/1999 - Text adopted by Parliament, 1st reading/single reading

In adopting the report drafted by Ms. Jutta HAUG (PES, D) with 334 votes for, 154 against and 60 abstentions, the European Parliament called for a dynamic reform of the system of own resources. This reform will need to ensure that the Community gets greater financial autonomy and new forms of resources without increasing the overall burden of taxes and charges on the European taxpayer and with due regard for the economic performance of the Member States. The Parliament considers that the system of own resources has to be based on criteria that correspond to each Member State's economic performance for which GNP is the relevant indicator; in future, the use of compensatory mechanisms on the revenue side should be avoided as a matter of principle and imbalances must be corrected by a reform of the expenditure structure. It is of the opinion that the system of own resources ought in future no longer include derogations and that existing correction mechanisms should therefore be gradually dismantled. As far as VAT is concerned, the Parliament considers that the maximum rate of call of the VAT resources should be fixed at 0.75% for 2001 and 2002 (and not for 2002 and 2003, as proposed by the Commission); at 0.50% in 2003 and 2004 (and not from 2004), and at 0.25% in 2005 and 2006. The Parliament feels that the total amount of own resources assigned to the Union to cover appropriations for payments may not exceed 1.27% of the GNP of the European Union and that the appropriations for commitments entered in the general budget of the Union must follow an orderly progression resulting in a total amount, which does not exceed 1.335% of the GNP of the Union. Before 01.01.2005, the Commission is to submit a proposal for a decision on the system of own resources which will replace this Decision by 01.01.2007. This proposal shall include provisions relating to the replacement of the VAT resource by new autonomous own resources and the gradual phasing-out of the corrective mechanism established in favour of the United Kingdom.