Value added tax VAT: simplify the procedure, assist in countering tax evasion and avoidance, repealing decisions granting derogations (amend. Directive 77/388/EEC)

2005/0019(CNS) - 30/05/2006

The committee adopted the report by Christoph KONRAD (EPP-ED, DE) broadly approving the proposed directive on simplifying the procedure for charging VAT and helping to counter tax evasion and avoidance. It tabled a few amendments under the consultation procedure:

- it should be expressly stated that the directive should not encroach on the power of the Member States to levy taxes;

- the criteria for consideration in any change in the system for levying VAT should be the effectiveness of tax collection, equality in tax treatment and practicability for businesses;

- the distinction between sectors to which reverse charging will apply and services which require tax to be charged to the provider should be clearly defined so that it is "clearly and indisputably recognisable" to businesses;

- new articles were introduced calling for cooperation between national authorities and OLAF in order to counter "carousel" fraud and for the Commission to draw up a "comprehensive comparative synopsis" assessing the different national schools of thought and spelling out the consequences of any change and the advantages and drawbacks entailed.