Value added tax VAT: length of time during which the minimum standard rate is to be applied (amend. Directive 77/388/EEC)

2005/0051(CNS) - 14/11/2005

The committee adopted the report by Zsolt László BECSEY (EPP-ED, HU) amending the proposal under the consultation procedure:

- whereas the Commission had limited its proposal to continuing with the minimum standard VAT rate of 15%, the committee voted to apply a band with a minimum rate of 15% and a maximum rate of 25%. It argued that it was important to prevent growing divergences in the standard rates of VAT applied by the Member States from leading to structural imbalances in the EU and distortions of competition in certain sectors;

- the Commission should carry out a general assessment of the macro-economic impact of implicit and standard VAT rates and the implications for the budgetary revenue of the Member States in the period up to 1 January 2007. The assessment should look at allowing the Member States the same possibilities to apply reduced VAT rates to goods and services.