Value added tax VAT: reduced rates (amend. Directive 77/388/EEC)

2003/0169(CNS) - 06/12/2005

The Council held an exchange of views, on the basis of a compromise proposal from the presidency, on a proposal for a directive aimed at modifying EU rules on reduced rates of value added tax applied by the member states. It agreed to refer the dossier to the European Council on 15 and 16 December with a view to reaching an agreement.

To recall, current rules allow for reduced VAT rates for a limited list of goods and services, as well as temporary reduced rates until 31 December 2005 for certain labour-intensive services (small repair services, renovation of private dwellings, window cleaning and private household cleaning, domestic care services, hairdressing). Other derogations with a limited timeframe, most until the end of 2007, were introduced for the new member states by their respective acts of accession.