Basic information

1998/0209(CNS) CNS - Consultation procedure Directive	Procedure lapsed or withdrawn
Value added tax VAT: right to deduct **Subject** 2.70.02 Indirect taxation, VAT, excise duties	

Key players

Council of the European Union	**Council configuration**	**Meetings**	**Date**
	Economic and Financial Affairs ECOFIN	2460	2002-11-05
European Commission	**Commission DG**	**Commissioner**	
	Taxation and Customs Union		

Key events

Date	Event	Reference	Summary
17/06/1998	Legislative proposal published	COM(1998)0377	Summary
14/09/1998	Committee referral announced in Parliament		
08/12/1998	Vote in committee		
08/12/1998	Committee report tabled for plenary, 1st reading/single reading	A4-0490/1998	
13/01/1999	Debate in Parliament		
05/11/2002	Debate in Council		Summary
17/03/2006	Additional information		Summary

Technical information

Procedure reference	1998/0209(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Directive
Legal basis	EC Treaty (after Amsterdam) EC 093
Stage reached in procedure	Procedure lapsed or withdrawn

Documentation gateway				
European Parliament				
Document type	**Committee**	**Reference**	**Date**	**Summary**
Committee report tabled for plenary, 1st reading/single reading		A4-0490/1998 OJ C 104 14.04.1999, p. 0004	08/12/1998	
Text adopted by Parliament, 1st reading/single reading		T4-0031/1999 OJ C 104 14.04.1999, p. 0103-0125	14/01/1999	Summary
European Commission				
Document type		**Reference**	**Date**	**Summary**
Legislative proposal		COM(1998)0377	17/06/1998	Summary
Other institutions and bodies				
Institution/body	**Document type**	**Reference**	**Date**	**Summary**
EESC	Economic and Social Committee: opinion, report	CES0071/1999 OJ C 101 12.04.1999, p. 0073	28/01/1999	

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Value added tax VAT: right to deduct

1998/0209(CNS) - 05/11/2002

The Council took note of a progress report concerning VAT-right to deduct (including cross border right of deduction) and of a Commission report on the review of Article 9 of the 6th VAT Directive. (13347/1/02 REV 1 and 13634/02).

The Council also asked the Permanent Representatives Committee to report in a forthcoming Council session on the proposal for amending the 6th VAT Directive as regards the rules governing the right to deduct and invited the Commission to continue its work on the revision of Article 9 of the 6th VAT Directive.

Value added tax VAT: right to deduct

1998/0209(CNS) - 14/01/1999 - Text adopted by Parliament, 1st reading/single reading

In approving its opinion on the rules governing the right to deduct VAT drafted by Mr. Riccardo GAROSCI (I, EPP), the European Parliament adopted a number of amendments. The essence of the amendments is as follows: - that rules and conditions in the Member States with respect to deductions of VAT and exemptions for certain persons/activities (cultural, artistic, musical, health-related, etc.) need to be brought closer together; - that expenditure on accommodation, food and drink, when incurred in the context of a professional activity, should be considered no different from other business expenditure (whereas the Commission had proposed that these expenses be deductible at the rate of 50%); - that the importance of the hotel, restaurant and cafe sector for employment and social integration be taken into account in the framing of these rules.

Value added tax VAT: right to deduct

1998/0209(CNS) - 17/06/1998 - Legislative proposal

PURPOSE: to amend the Sixth Directive regarding the rules governing the right to deduct Value Added Tax. CONTENT: this proposal aims to simplify the procedures enabling taxable persons established in the Community to recover the tax in a Member State where they are not established, by means of the following measures: - amending Article 17 of the Sixth Directive, to include the right to deduct the VAT paid in a Member State where the taxable person is not established, with the result that the amount of VAT eligible for deduction will now be determined according to the rules of the Member State of establishment, and no longer according to the rules of the Member State which collected the tax, as is the case at present. In substance, the proposed measures achieve the following result: 1) if the taxable person is identified in a single Member State, the VAT is deducted in that Member State, irrespective of the Member State where he incurred the VAT-incurring expenditure. 2) if the taxable person is identified in several Member States: a) and he is identified in the Member State where he has incurred the VAT-bearing expenditure, the VAT is deducted in that Member State (no change as compared with the present solution) b) and he is not identified in the Member State where he has incurred the VAT-bearing expenditure, the VAT is deducted in the Member State where he supplies goods or services for which the expenditure is used. - amending Article 22 of the Sixth Directive to provide that taxable persons must present a specific document, attached to their periodic return, detailing the VAT amounts paid in other Member States which they are requesting to be deducted, broken down by Member State and annexed with a copy of the invoices or import documents as proof. - repealing the Eighth Directive.