Basic information

1998/0331(CNS) CNS - Consultation procedure Directive	Procedure completed
Value added tax VAT: level of the standard rate (amend. direct. 77/388 /EEC) **Subject** 2.70.02 Indirect taxation, VAT, excise duties	

Key players

European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	ECON Economic and Monetary Affairs, Industrial Policy	SECCHI Carlo (PPE)	20/01/1999

Council of the European Union	**Council configuration**	**Meetings**	**Date**
	Economic and Financial Affairs ECOFIN	2181	1999-05-25

Key events

Date	Event	Reference	Summary
30/11/1998	Legislative proposal published	COM(1998)0693	Summary
28/01/1999	Committee referral announced in Parliament		
18/03/1999	Vote in committee		Summary
18/03/1999	Committee report tabled for plenary, 1st reading/single reading	A4-0129/1999	
22/03/1999	Debate in Parliament		
25/05/1999	Act adopted by Council after consultation of Parliament		
25/05/1999	End of procedure in Parliament		
02/06/1999	Final act published in Official Journal		

Technical information

Procedure reference	1998/0331(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Directive

Legal basis	EC Treaty (after Amsterdam) EC 093 Rules of Procedure EP 170
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/10694

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A4-0129/1999 OJ C 177 22.06.1999, p. 0003	18/03/1999	
Text adopted by Parliament, 1st reading/single reading		T4-0214/1999 OJ C 177 22.06.1999, p. 0011-0036	23/03/1999	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(1998)0693 OJ C 409 30.12.1998, p. 0013	30/11/1998	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0072/1999 OJ C 101 12.04.1999, p. 0087	28/01/1999	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Directive 1999/0049
OJ L 139 02.06.1999, p. 0027 Summary

Value added tax VAT: level of the standard rate (amend. direct. 77/388 /EEC)

1998/0331(CNS) - 23/03/1999 - Text adopted by Parliament, 1st reading/single reading

The Parliament adopted the Commission's proposal to extend the present rules regarding VAT throughout 1999 as it stands. Two proposed amendments designed to bring about the definitive VAT system as from 1 January 2000 were rejected. The rapporteur was Mr. Carlo SECCHI (EPP, I).

Value added tax VAT: level of the standard rate (amend. direct. 77/388 /EEC)

1998/0331(CNS) - 25/05/1999 - Final act

PURPOSE: to take a decision on the level of the minimum rate of the standard rate of value added tax (VAT) rate. COMMUNITY MEASURE: Council Directive 1999/49/EC modifying, as far as the standard rate is concerned, Directive 77/388/EEC concerning a common system for value added tax. CONTENT: the standard rate of VAT is set by each Member State at a percentage of the taxable base which is the same for the provision of goods and services. From 01.01.1999 and up to 31.12.2000, this percentage cannot be less than 15%. The Council will decide, by unanimity, the level of the standard rate applicable after 31.12.2000. ENTRY INTO FORCE: 01/01/1999.

Value added tax VAT: level of the standard rate (amend. direct. 77/388 /EEC)

1998/0331(CNS) - 30/11/1998 - Legislative proposal

PURPOSE: to amend directive 77/388/EEC on the common system of value added tax with regard to the level of the standard rate. CONTENT: One of the main characteristics of VAT is that it should be neutral with regard to the conditions of competition. Preserving the possibility of applying excessively divergent rates in different Member States might jeapordise this neutrality, influence the location of businesses and would therefore be inconsistent with the very principles of the single market. Consequently, this proposal is aimed at paving the way for the harmonisation of rates that is necessary in the context of the existing VAT system and, at the same time, preparing the next steps towards a gradual approximation of rates in order to permit the introduction of a common VAT system. It covers only the level of the standard rate and follows the same line of reasoning as the 1995 Commission proposal on the same subject. By means of this proposal, it is important to ensure that the degree of harmonisation already achieved is at least maintained, thereby ensuring that the transitional arrangements continue to function as satisfactorily as possible. Where the standard rate is concerned, although the disparities in the rates currently in force (between 15% and 25%) allow the single market to function more or less satisfactorily under the present tax system, laying down rules on these existing rates will provide an even stronger guarantee in this respect by preventing major distortions. The Commission has, therefore, concluded that it is appropriate to propose another rate band, which is the only instrument reflecting the political agreement of the Council in 1996. Accordingly, the lower limit of the standard rate band is fixed at 15% and the upper limit at 25%.