Basic information

2002/0230(CNS) CNS - Consultation procedure Directive	Procedure completed
Value added tax VAT: labour-intensive services, extension of reduced rates (amend. Directive 77/388/EEC) **Subject** 2.70.02 Indirect taxation, VAT, excise duties 4.15 Employment policy, action to combat unemployment	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	RANDZIO-PLATH Christa (PSE)	08/10/2002

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2471	2002-12-03

European Commission

Commission DG	Commissioner
Taxation and Customs Union	

Key events

Date	Event	Reference	Summary
25/09/2002	Legislative proposal published	COM(2002)0525	Summary
09/10/2002	Committee referral announced in Parliament		
05/11/2002	Vote in committee		Summary
05/11/2002	Committee report tabled for plenary, 1st reading/single reading	A5-0366/2002	
20/11/2002	Decision by Parliament	T5-0544/2002	Summary
03/12/2002	Act adopted by Council after consultation of Parliament		
03/12/2002	End of procedure in Parliament		

07/12/2002	Final act published in Official Journal		

Technical information

Procedure reference	2002/0230(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Directive
Legal basis	EC Treaty (before Amsterdam) E 093
Stage reached in procedure	Procedure completed
Committee dossier	ECON/5/16770

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0366/2002	05/11/2002	
Text adopted by Parliament, 1st reading/single reading		T5-0544/2002 OJ C 025 29.01.2004, p. 0025-0177 E	20/11/2002	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2002)0525 OJ C 020 28.01.2003, p. 0212 E	25/09/2002	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1160/2002 OJ C 061 14.03.2003, p. 0193	22/10/2002	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Directive 2002/0093
OJ L 331 07.12.2002, p. 0027-0028 Summary

Value added tax VAT: labour-intensive services, extension of reduced rates (amend. Directive 77/388/EEC)

2002/0230(CNS) - 03/12/2002 - Final act

PURPOSE : to extend the facility allowing Member States to apply reduced rates of VAT to certain labour-intensive services.

COMMUNITY MEASURE : Council Directive 2002/93/EC amending Directive 77/388/EEC.

CONTENT : As a result of this amending Directive, certain Member States are authorised to apply up to 31 December 2003, a reduced rate of VAT to those labour-intensive services for which they had submitted an application. It should be noted that the Council has also adopted a decision which extends the period of application of Decision 185/2000/EC to 31 December 2003. This authorises Belgium, the Netherlands, Greece, Spain France, Italy, Portugal and the United Kingdom to apply a reduced rate of VAT to labour-intensive services.

ENTRY INTO FORCE : 07/12/2002.

Value added tax VAT: labour-intensive services, extension of reduced rates (amend. Directive 77/388/EEC)

2002/0230(CNS) - 20/11/2002 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Christa RANDZIO-PLATH (PES, Germany) approving the Commission's proposal.

Value added tax VAT: labour-intensive services, extension of reduced rates (amend. Directive 77/388/EEC)

2002/0230(CNS) - 25/09/2002 - Legislative proposal

PURPOSE : to extend the facility allowing Member States to apply reduced rates of VAT to certain labour-intensive services. CONTENT : on 22 October 1999, the Council adopted Directive 1999/85/EC amending Directive 77/388/EEC (the 6th VAT Directive) as regards the possibility of applying on an experimental basis a reduced VAT rate on labour-intensive services. Its purpose is to allow Member States that so wish to test the impact, in terms of job creation and a reduction of the underground economy, of a targeted reduction of VAT on these services. The 6th VAT Directive authorises the experimental application of a reduced rate of VAT on labour-intensive services up to 31 December 2002. It requires Member States that have applied such reduced rates to draw up a detailed report by 1 October 2002 assessing the measures' effectiveness in terms of job-creation and efficiency. Since no assessment reports have yet been submitted to the Commission by the Member States, and in view of the time needed to evaluate such reports thoroughly in accordance with the guidelines of Directive 1999/85/EC, it is essential to alter the period set in Article 28(6) of the 6th VAT Directive. It is under these circumstances that Commission considers that the first subparagraph of Article 28(6) of Directive 77/388/EC and the first paragraph of Article 1 of Decision 2000/185/EC should be amended to extend the period of validity of the authorisation to 31 December 2003 at the latest. This would allow the nine Member States currently applying a reduced rate of VAT to labour-intensive services to continue to do so for another year under the same conditions, without changing or extending the scope of the experiment.