

Basic information	
<b>2005/0051(CNS)</b> CNS - Consultation procedure Directive	Procedure completed
Value added tax VAT: length of time during which the minimum standard rate is to be applied (amend. Directive 77/388/EEC)  <b>Subject</b> 2.70.02 Indirect taxation, VAT, excise duties	

Key players				
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>	<b>Appointed</b>
	<b>ECON</b>	Economic and Monetary Affairs	BECSEY Zsolt László (PPE-DE)	10/05/2005
Council of the European Union	<b>Council configuration</b>		<b>Meetings</b>	<b>Date</b>
	General Affairs		2700	2005-12-12
European Commission	<b>Commission DG</b>		<b>Commissioner</b>	
	Taxation and Customs Union			

Key events			
Date	Event	Reference	Summary
14/04/2005	Legislative proposal published	COM(2005)0136 	Summary
10/05/2005	Committee referral announced in Parliament		
14/11/2005	Vote in committee		Summary
17/11/2005	Committee report tabled for plenary, 1st reading/single reading	A6-0323/2005	
01/12/2005	Decision by Parliament	T6-0458/2005	Summary
01/12/2005	Results of vote in Parliament		
01/12/2005	Debate in Parliament		
12/12/2005	Act adopted by Council after consultation of Parliament		
12/12/2005	End of procedure in Parliament		
28/12/2005	Final act published in Official Journal		

Technical information	
Procedure reference	2005/0051(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 completed
Committee dossier	ECON/6/27754

Documentation gateway				
<b>European Parliament</b>				
Document type	Committee	Reference	Date	Summary
Amendments tabled in committee		<a href="#">PE364.811</a>	27/10/2005	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A6-0323/2005</a>	17/11/2005	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T6-0458/2005</a>	01/12/2005	<a href="#">Summary</a>
<b>European Commission</b>				
Document type	Reference	Date	Summary	
Legislative proposal	<a href="#">COM(2005)0136</a> 	14/04/2005	<a href="#">Summary</a>	
Commission response to text adopted in plenary	<a href="#">SP(2005)5015</a>	15/12/2005		
<b>Other institutions and bodies</b>				
Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	<a href="#">CES0852/2005</a> <a href="#">OJ C 294 25.11.2005, p. 0054-0054</a>	14/07/2005	

Additional information		
Source	Document	Date
European Commission	<a href="#">EUR-Lex</a>	

Final act

## 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) - 14/04/2005 - Legislative proposal

PURPOSE: to amend Directive 77/388/EEC on the common system of value added tax, with regard to the length of time during which the minimum standard rate is to be applied.

PROPOSED ACT: Council Directive.

CONTENT: the standard rate of value added tax (VAT) currently in force in the various Member States, combined with the mechanism of the transitional system, has ensured that this system has functioned to an acceptable degree. The accession of the ten new Member States on 1 May 2004 did not alter the situation regarding the standard rate. That rate continues to range from 15% to 25% in the 25 Member States. Two Member States (Cyprus and Luxembourg) apply a 15% rate and three a 25% rate (Denmark, Hungary and Sweden). It is nonetheless important to prevent a growing divergence in the standard rates of VAT applied by the Member States from leading to structural imbalances in the Community and distortions of competition in some sectors of activity.

In these circumstances, it therefore appears appropriate to maintain temporarily the principle of a minimum standard rate of 15%, and to propose that the legislation in force be extended.

Since the application of this rate under Article 12(3)(a) of Directive 77/388/EEC expires on 31 December 2005, the object of this proposal is to enable the Council to extend the period of application of the minimum standard rate. The minimum level for the standard rate is therefore set at 15% for the five years from 1 January 2006 to 31 December 2010.

## 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) - 12/12/2005 - Final act

PURPOSE : to amend Directive 77/388/EEC on the common system of value added tax, with regard to the length of time during which the minimum standard rate is to be applied.

LEGISLATIVE ACT : Council Directive 2005/92/EC amending Directive 77/388/EEC with regard to the length of time during which the minimum standard rate of VAT is to be applied.

CONTENT : to recall, the standard rate of VAT currently in force in the various Member States, combined with the mechanism of the transitional system, has ensured that this system has functioned to an acceptable degree. That rate continues to range from 15% to 25% in the 25 Member States. Two Member States (Cyprus and Luxembourg) apply a 15% rate and three a 25% rate (Denmark, Hungary and Sweden). It is nonetheless important to prevent a growing divergence in the standard rates of VAT applied by the Member States from leading to structural imbalances in the Community and distortions of competition in some sectors of activity. In these circumstances, it therefore appears appropriate to maintain temporarily the principle of a minimum standard rate of 15%, and to propose that the legislation in force be extended.

Since the application of this rate under Article 12(3)(a) of Directive 77/388/EEC expires on 31 December 2005, the purpose of this Council Directive is to enable the Council to extend the period of application of the minimum standard rate. The minimum level for the standard rate is therefore set at 15% for the five years from 1 January 2006 to 31 December 2010.

ENTRY INTO FORCE : 28 December 2005.

TRANSPOSITION : 1 January 2006.

## 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) - 01/12/2005 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Zsolt László BECSEY (EPP-ED, HU) and made two amendments which reflect those made by its committee. (Please see the summary of 14/11/2005.) The resolution was adopted with 512 votes in favour, 81 against and 10 abstentions