Basic information

2005/2645(RSP) RSP - Resolutions on topical subjects	Procedure completed
Resolution on the expiry of Directive 1999/85/EC concerning reduced VAT rates on labour-intensive services **Subject** 2.70.02 Indirect taxation, VAT, excise duties 4.15 Employment policy, action to combat unemployment	

Key events

Date	Event	Reference	Summary
01/12/2005	Decision by Parliament	T6-0468/2005	Summary
01/12/2005	Results of vote in Parliament		
01/12/2005	Debate in Parliament		
01/12/2005	End of procedure in Parliament		

Technical information

Procedure reference	2005/2645(RSP)
Procedure type	RSP - Resolutions on topical subjects
Procedure subtype	Debate or resolution on oral question/interpellation
Legal basis	Rules of Procedure EP 142-p5
Stage reached in procedure	Procedure completed

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Oral question/interpellation by Parliament		B6-0342/2005	30/11/2005	
Motion for a resolution		B6-0630/2005	01/12/2005	
Text adopted by Parliament, topical subjects		T6-0468/2005	01/12/2005	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2005)5015	15/12/2005	

Resolution on the expiry of Directive 1999/85/EC concerning reduced VAT rates on labour-intensive services

2005/2645(RSP) - 01/12/2005 - Text adopted by Parliament, topical subjects

The resolution adopted in Plenary urges the Council to prolong the experiment until the end of 2006, by which time the Commission is requested to present a comprehensive evaluation based on the data collected during the whole period of the experiment; suggests that this new evaluation take into consideration net job creation as well as the mechanism that led to it, in order to have a broad overview of the economic impact. MEPs considered that the experiment has not been in force long enough to be accurately evaluated and that the evaluation presented in 2003 was based on insufficient data. They call for account to be taken of the alarming situation regarding the expiry of the provisions in question and an immediate switch to standard VAT rates that might lead to price increases and have a negative impact on employment in the sectors concerned, and calls on the Commission and the Council to take appropriate measures to avoid legal uncertainty as of 1 January 2006.

Following evaluation, Parliament supports the inclusion of those sectors where results are satisfactory, thus making those derogations permanent, and calls on the Commission to present a proposal containing a plan for phasing out the derogations for the sectors where no positive results have been achieved.

Lastly, Parliament calls on the Council to approve without further delay the proposal for a directive which was the subject of its above-mentioned position of 14 December 2004 and which is aimed at allowing the new Member States to apply reduced rates to certain labour-intensive services if they so wish, putting an end to the current discriminatory situation.