Basic information

2006/0165(CNS) CNS - Consultation procedure Directive	Procedure lapsed or withdrawn
Alcohol and alcoholic beverages: adjust the minimum rates of excise duty (amend. Directive 92/84/EEC) **Subject** 2.70.02 Indirect taxation, VAT, excise duties 3.10.06.08 Wine, alcoholic and non-alcoholic beverages	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	LULLING Astrid (PPE-DE)	25/09/2006

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
AGRI Agriculture and Rural Development	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2759	2006-11-07
Economic and Financial Affairs ECOFIN	2766	2006-11-28

European Commission

Commission DG	Commissioner
Taxation and Customs Union	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
08/09/2006	Legislative proposal published	COM(2006)0486	Summary
28/09/2006	Committee referral announced in Parliament		
07/11/2006	Debate in Council		

28/11/2006	Debate in Council		Summary
11/04/2007	Vote in committee		Summary
18/04/2007	Committee report tabled for plenary, 1st reading/single reading	A6-0148/2007	
22/05/2007	Debate in Parliament		
23/05/2007	Results of vote in Parliament		
23/05/2007	Decision by Parliament		Summary
10/07/2007	Decision by Parliament	T6-0324/2007	Summary
10/07/2007	Results of vote in Parliament		
07/03/2015	Proposal withdrawn by Commission		

Technical information

Procedure reference	2006/0165(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Directive
Legal basis	Treaty on the Functioning of the European Union TFEU 113
Stage reached in procedure	Procedure lapsed or withdrawn
Committee dossier	ECON/6/40335

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE384.545	13/02/2007	
Committee report tabled for plenary, 1st reading/single reading		A6-0148/2007	18/04/2007	
Amendments tabled in committee		PE386.495	29/06/2007	
Text adopted by Parliament, 1st reading/single reading		T6-0324/2007	10/07/2007	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2006)0486	08/09/2006	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary

EESC	Economic and Social Committee: opinion, report	CES0789/2007	30/05/2007	

Additional information		
Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

Alcohol and alcoholic beverages: adjust the minimum rates of excise duty (amend. Directive 92/84/EEC)

2006/0165(CNS) - 10/07/2007 - Text adopted by Parliament, 1st reading/single reading

The opinion of the Parliament in this consultation procedure is to reject the Commission proposal.

In procedural terms, the Framework Agreement on relations between the European Parliament and the Commission provides that the Commission shall undertake, if appropriate, to withdraw a legislative proposal that Parliament has rejected. If, for important reasons and after consideration by the College, the Commission decides to maintain its proposal, it shall explain the reasons for that decision in a statement before Parliament.

Alcohol and alcoholic beverages: adjust the minimum rates of excise duty (amend. Directive 92/84/EEC)

2006/0165(CNS) - 28/11/2006

The Council examined proposed adjustments to minimum excise duty rates on alcoholic beverages, aimed at countering the effects of inflation, and a proposed mechanism for review of the rates in order to cater for inflation in the future.

It invited the Commission to carry out a comprehensive study of the taxation of alcohol and alcoholic beverages, including trends in competitive positions and in levels of taxes and prices, and to present the results of that study during the first half of 2007, with a view to facilitating further Council decision-making as regards alcohol taxation.

Alcohol and alcoholic beverages: adjust the minimum rates of excise duty (amend. Directive 92/84/EEC)

2006/0165(CNS) - 08/09/2006 - Legislative proposal

PURPOSE : to update the existing Directive 92/84/EEC on the approximation of the rates of excise duty on alcohol and alcoholic beverages by increasing the minimum rates in order to restore their real value agreed by Council in 1992.

PROPOSED ACT : Council Directive.

CONTENT : under Article 8 of Council Directive 92/84/EEC on the approximation of the rates of excise duty on alcohol and alcoholic beverages, the Commission is required to undertake regular reviews and to produce a report, and where appropriate a proposal, upon which the Council shall examine the rates of duty laid down in that Directive.

The Commission's report, presented on 26 May 2004, concluded that more convergence of the rates of excise duty in the different Member States is needed so as to ensure the proper functioning of the internal market, in particular with regard to the potential for distortions of competition and fraud. However, given the widely differing views in the Member States about the appropriate levels of the minimum rates, and given that any change would require unanimous agreement, the Commission did not make a proposal at that time. Instead the Commission indicated that it wished to launch a broad debate in the Council, the European Parliament and the Economic and Social Committee and that on the basis of the outcome of this debate the Commission would then decide whether or not to submit proposals on all or some of the issues raised in the report.

Having assessed the position, the Commission proposes to amend Directive 92/84/EEC by:

- revalorising the minimum rates on alcohol, intermediate products and beer in line with inflation from 1993 to 2005, which is in the order of 31%, to take effect from 1 January 2008;

- providing, by way of derogation, transitional periods up to 1 January 2010 for those Member States that may have difficulties in increasing their national rates by 1 January 2008 to meet the revalorised minima, such transitional periods being determined by the efforts required of the Member States concerned;

- rendering the review procedure under Article 8 of the Directive more flexible and less onerous and to prolong the review period from 2 years to 4 years.

The primary purpose of revalorising the minimum rates is to restore their real value of 1992. Increasing minimum rates to account for inflation does not, by definition, produce real value increases. On the other hand, failure to maintain the specific minimum rates in line with inflation would result in erosion of their real value. Consequently, such increases in the minimum rates are necessary in order to maintain the level of rates which the Council agreed in 1992, as a requirement to ensure the functioning of the Internal Market without fiscal borders.