

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 CNS - Consultation procedure Directive	Procedure lapsed or withdrawn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

Key players				
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>	<b>Appointed</b>
	<b>ECON</b>	Economic and Monetary Affairs	LULLING Astrid (PPE-DE)	25/09/2006
	<b>Committee for opinion</b>		<b>Rapporteur for opinion</b>	<b>Appointed</b>
	<b>ENVI</b>	Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
	<b>AGRI</b>	Agriculture and Rural Development	The committee decided not to give an opinion.	
	Council of the European Union	<b>Council configuration</b>		<b>Meetings</b>
Economic and Financial Affairs ECOFIN		2766	2006-11-28	
Economic and Financial Affairs ECOFIN		2759	2006-11-07	
European Commission	<b>Commission DG</b>		<b>Commissioner</b>	
	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		<a href="#">Summary</a>
11/04/2007	Vote in committee		<a href="#">Summary</a>
18/04/2007	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A6-0148/2007</a>	
22/05/2007	Debate in Parliament		
23/05/2007	Results of vote in Parliament		
23/05/2007	Decision by Parliament		<a href="#">Summary</a>
10/07/2007	Decision by Parliament	<a href="#">T6-0324/2007</a>	<a href="#">Summary</a>
10/07/2007	Results of vote in Parliament		
07/03/2015	Proposal withdrawn by Commission		

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	Procedure lapsed or withdrawn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

Documentation gateway				
<b>European Parliament</b>				
Document type	Committee	Reference	Date	Summary
Committee draft report		<a href="#">PE384.545</a>	13/02/2007	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A6-0148/2007</a>	18/04/2007	
Amendments tabled in committee		<a href="#">PE386.495</a>	29/06/2007	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T6-0324/2007</a>	10/07/2007	<a href="#">Summary</a>
<b>European Commission</b>				
Document type	Reference	Date	Summary	
Legislative proposal	<a href="#">COM(2006)0486</a> 	08/09/2006	<a href="#">Summary</a>	
<b>Other institutions and bodies</b>				
Institution/body	Document type	Reference	Date	Summary

EESC	Economic and Social Committee: opinion, report	<a href="#">CES0789/2007</a>	30/05/2007	
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Additional information		
Source	Document	Date
National parliaments	<a href="#">IPEX</a>	
European Commission	<a href="#">EUR-Lex</a>	

## 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.