Basic information

2016/0374(CNS) CNS - Consultation procedure Directive	Procedure completed
Value added tax (VAT): rates applied to books, newspapers and periodicals Amending Directive 2006/112/EC 2004/0079(CNS) **Subject** 2.70.02 Indirect taxation, VAT, excise duties 4.45.08 Cultural and artistic activities, books and reading, arts	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	VANDENKENDELAERE Tom (PPE)	08/12/2016
	Shadow rapporteur DELVAUX Mady (S&D) LUCKE Bernd (ECR) VAN NIEUWENHUIZEN Cora (ALDE) LÓPEZ BERMEJO Paloma (GUE/NGL) SCOTT CATO Molly (Verts /ALE) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
IMCO Internal Market and Consumer Protection	The committee decided not to give an opinion.	
CULT Culture and Education	ZDROJEWSKI Bogdan Andrzej (PPE)	15/02/2017
JURI Legal Affairs	The committee decided not to give an opinion.	

Council of the

Council configuration	Meetings	Date

European Union	Economic and Financial Affairs ECOFIN	3549	2017-06-16
	Economic and Financial Affairs ECOFIN	3646	2018-11-06
	Economic and Financial Affairs ECOFIN	3527	2017-03-21
	Economic and Financial Affairs ECOFIN	3619	2018-05-25

Key events

Date	Event	Reference	Summary
01/12/2016	Legislative proposal published	COM(2016)0758	Summary
16/01/2017	Committee referral announced in Parliament		
21/03/2017	Debate in Council		
03/05/2017	Vote in committee		
09/05/2017	Committee report tabled for plenary, 1st reading/single reading	A8-0189/2017	Summary
01/06/2017	Decision by Parliament	T8-0233/2017	Summary
01/06/2017	Results of vote in Parliament		
16/06/2017	Debate in Council		
25/05/2018	Debate in Council		
02/10/2018	End of procedure in Parliament		
06/11/2018	Act adopted by Council after consultation of Parliament		
14/11/2018	Final act published in Official Journal		

Technical information

Procedure reference	2016/0374(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Directive
Amendments and repeals	Amending Directive 2006/112/EC 2004/0079(CNS)
Legal basis	Treaty on the Functioning of the European Union TFEU 113
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	ECON/8/08651

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary

Committee draft report		PE599.762	07/03/2017	
Amendments tabled in committee		PE602.780	05/04/2017	
Committee opinion	CULT	PE601.090	26/04/2017	
Committee report tabled for plenary, 1st reading/single reading		A8-0189/2017	09/05/2017	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0233/2017	01/06/2017	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2016)0758	01/12/2016	Summary
Document attached to the procedure	SWD(2016)0392	01/12/2016	
Document attached to the procedure	SWD(2016)0393	01/12/2016	
Commission response to text adopted in plenary	SP(2017)494	19/07/2017	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2016)0758	30/01/2017	
Contribution	BE_CHAMBER	COM(2016)0758	06/02/2017	
Contribution	DE_BUNDESRAT	COM(2016)0758	21/02/2017	

Additional information

Source	Document	Date
European Parliament	Briefing	
European Commission	EUR-Lex	

Final act

Directive 2018/1713
OJ L 286 14.11.2018, p. 0020 Summary

Value added tax (VAT): rates applied to books, newspapers and periodicals

2016/0374(CNS) - 06/11/2018 - Final act

PURPOSE: to allow Member States to apply the same VAT rates to publications supplied electronically as they currently apply to publications on any type of physical means.

LEGISLATIVE ACT: Council Directive (EU) 2018/1713 amending Directive 2006/112/EC as regards rates of value added tax applied to books, newspapers and periodicals.

CONTENT: under the current VAT rules (Directive 2006/112/EC), Member States may apply reduced VAT rates to publications on any type of physical means. However, a reduced rate of VAT cannot be applied to publications supplied electronically, which must be taxed at the standard rate of VAT.

This amending Directive allows Member States that so wish to apply reduced, very reduced or zero VAT rates to electronic publications, thereby aligning the VAT rules for electronic and physical publications.

Only those Member States which, on 1 January 2017, applied very reduced rates and zero rates to physical publications will be allowed to apply them to electronic publications.

In order to prevent the extensive use of reduced VAT rates on audiovisual content, the Directive allows Member States to apply a reduced rate to books, newspapers and periodicals only if those publications, regardless of whether they are supplied on physical means of support or electronically (including brochures, leaflets and similar printed matter, children's albums, drawing or colouring books, printed or manuscript forms, maps and hydrographic or similar charts), do not wholly or predominantly consist of music or video content.

ENTRY INTO FORCE: 3.12.2018.

Value added tax (VAT): rates applied to books, newspapers and periodicals

2016/0374(CNS) - 01/06/2017 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 590 votes to 8, with 10 abstentions, in line with the consultation procedure, a legislative resolution on the proposal for a Council directive amending Directive 2006/112/EC, as regards rates of value added tax applied to books, newspapers and periodicals.

As a reminder, the Commission proposal seeks to grant all Member States, the possibility to apply **the same VAT rates to electronically supplied publications** as Member States currently apply to printed publications.

Parliament approved the Commission proposal subject to the following amendments:

Subject matter: Members stated that the Directive shall aim at **simpler, more fraud-proof and business-friendly VAT systems** across the Member States, as well as keeping pace with today's digital and mobile economy. It shall:

- **stimulate innovation, creation, investment and the production of new content**, and facilitate digital learning, knowledge transfer and the access to, and promotion of, culture in the digital environment;
- promote reading and encourage investment in new content for publishers.

Scope of the Directive: the Commission shall clarify whether the proposed Directive also applies to brochures, leaflets and similar printed matter, children’s picture, drawing or colouring books, music printed or in manuscript form, maps and hydrographic or similar charts.

Blind and visually impaired persons: Members suggested that adapted and audio electronic books, newspapers and periodicals are to be understood as not wholly or predominantly consisting of music or video content. Therefore, **reduced VAT rates could also be applied to those formats** in order to facilitate access to books, newspapers and periodicals for persons who are blind, visually impaired or otherwise print-disabled.

Towards a better coordinated regime: Members noted that the flexibility granted to Member States in the context of the current proposal in **no way prejudges the definitive VAT regime** to be rolled out and shall not remove the need for a more coordinated, efficient and simpler system of reduced VAT rates with fewer exceptions.

Follow-up: three years following the entry into force of the Directive, the Commission shall produce a **report** identifying the Member States that have adopted similar reduced or super-reduced VAT rates for books, newspapers and periodicals and their electronic equivalent, and evaluate the impact of those measures in terms of budgetary implications and development of the cultural sector.

The amended text refers to a resolution of 13 October 2011 in which the European Parliament recalled that one of the key features of VAT is the principle of neutrality and, for that reason, it argued that ‘all books, newspapers and magazines, regardless of format, should be treated in exactly the same way’.

Value added tax (VAT): rates applied to books, newspapers and periodicals

2016/0374(CNS) - 09/05/2017 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted, in line with the consultation procedure, the report by Tom VANDENKENDELAERE (EPP, BE) on the proposal for a Council directive amending Directive 2006/112/EC, as regards rates of value added tax applied to books, newspapers and periodicals.

The committee approved the Commission proposal subject to the following amendments:

Subject matter: Members stated that the Directive shall aim at **simpler, more fraud-proof and business-friendly VAT systems** across the Member States, as well as keeping pace with today's digital and mobile economy.

Scope of the Directive: the Commission shall clarify whether the proposed Directive also applies to brochures, leaflets and similar printed matter, children's picture, drawing or colouring books, music printed or in manuscript form, maps and hydrographic or similar charts.

Towards a better coordinated regime: Members noted that the flexibility granted to Member States in the context of the current proposal in **no way prejudges the definitive VAT regime** to be rolled out and shall not remove the need for a more coordinated, efficient and simpler system of reduced VAT rates with fewer exceptions.

Follow-up: three years following the entry into force of the Directive, the Commission shall produce a **report** identifying the Member States that have adopted similar reduced or super-reduced VAT rates for books, newspapers and periodicals and their electronic equivalent, and evaluate the impact of those measures in terms of budgetary implications and development of the cultural sector.

Value added tax (VAT): rates applied to books, newspapers and periodicals

2016/0374(CNS) - 01/12/2016 - Legislative proposal

PURPOSE: to authorise the Member States to reduce the rates of value added tax applied to books, newspapers and periodicals.

PROPOSED ACT: Council Directive.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: Council Directive 2006/112/EC provides that Member States may apply reduced rates of value added tax (VAT) to publications on any means of physical support. However, a reduced VAT rate cannot be applied to electronically supplied publications, which have to be taxed at the standard VAT rate. In line with the Commission's Digital Single Market Strategy and in order to keep abreast of technological progress in a digital economy, Member States should be enabled to align the VAT rates for electronically supplied publications with lower VAT rates for publications on any means of physical support (minimum 15%).

In the Action Plan on VAT, the current rules on VAT rates do not fully take into account technological and economic developments with regard to e-books and electronic newspapers. It outlined that electronically supplied publications should be able to benefit from the same preferential VAT rate treatment as publications on any means of physical support.

Modernising VAT for the digital economy is also a key objective of the Digital Single Market Strategy.

IMPACT ASSESSMENT: the preferred option is the one which would enable Member States to apply reduced VAT rates lower than the current minimum of 5% or to grant exemptions with deductibility of the VAT paid at the preceding stage to the supply of publications, both on any means of physical support or electronically supplied.

It is estimated that this option could lead to a maximum decrease of VAT revenues for Member States by 2021 by EUR 4.7 billion annually, if all Member States decided to apply the current VAT rates for printed publications as well to e-publications.

CONTENT: the Commission is proposing to amend the VAT Directive in order to grant all Member States, **the possibility to apply the same VAT rates to electronically supplied publications as Member States currently apply to printed publications**, which include reduced (minimum 5%), super-reduced (less than 5%) and zero rates.

The supply of pure music and video content would continue to be taxed at the standard VAT rate, as would publications that predominantly consist of music and video content. Member States would have the discretion to specify the term "predominantly" in their national VAT law. This solution would also allow Member States to continue to apply a reduced rate for audio books, audio newspapers and periodicals for people with sight loss.