

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.

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