

Collection of own resources accruing from value added tax

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The Council presented a revised draft Council Regulation amending Regulation (EEC, Euratom) No 1553/89 on the definitive uniform arrangements for the collection of own resources accruing from value added tax (VAT).

The draft amending Council Regulation aims at establishing rules on making available to the EU budget, by Member States, of VAT-based own resource to ensure that this is made available under the best possible conditions.

For the sake of simplicity and transparency, and in order to reduce administrative burden, the VAT-based own resource should be calculated on the basis of a definitive multi-annual weighted average rate. The arrangements for calculating the base for the VAT-based own resource should be determined in a uniform manner starting from receipts that were actually collected in a given calendar year as the sole definitive method for determining the base for the VAT-based own resource.

The definitive weighted average rate of VAT from the financial year 2016 in each Member State should be used as a definitive multi-annual weighted average rate.

By 15 April each year at the latest, Member States should send to the Commission an estimate of the base for the VAT-based own resource base for the following financial year. Any corrections to the statements of the total amount of the base for the VAT-based own resource for previous financial years, for whatever reason, should be made in agreement between the Commission and the Member State concerned.

Every five years, the Commission should draw up a report on the measures taken and progress made by Member States in collecting VAT and on any improvements. This report should be presented to the European Parliament and the Council for the first time by 31 December 2025 at the latest.

The amending Regulation should enter into force on the same day as the Council Decision on the system of the European Union's own resources and apply from 1 January 2021. However, the Regulation should not apply to the production or correction of statements of the base for the VAT-based own resource for financial years before 2021.