Procedure file

Basic information

CNS - Consultation procedure Directive	1998/0189(CNS)	Procedure completed
Cigarettes and manufactured tobacco: taxes and taxes on consumption Amending Directive 95/59/EC 1994/0204(CNS) Subject 2.70.02 Indirect taxation, VAT, excise duties 3.40.12 Luxury products industry, cosmetics		

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	ECON Economic and Monetary Affairs, Industrial Policy	PPE LANGEN Werner	03/09/1998
	Committee for opinion	Rapporteur for opinion	Appointed
	AGRI Agriculture and Rural Development	UPE ROSADO FERNANDES Raúl Miguel	22/07/1998
Council of the European Union	Council configuration	Meeting	Date
	General Affairs	2200	29/07/1999
	Economic and Financial Affairs ECOFIN	2181	25/05/1999

Key events

15/05/1998	Legislative proposal published	COM(1998)0320	Summary
13/07/1998	Committee referral announced in Parliament		
20/01/1999	Vote in committee		Summary
20/01/1999	Committee report tabled for plenary, 1st reading/single reading	A4-0021/1999	
24/02/1999	Debate in Parliament		
25/02/1999	Decision by Parliament	T4-0135/1999	Summary
29/07/1999	Act adopted by Council after consultation of Parliament		
29/07/1999	End of procedure in Parliament		
11/08/1999	Final act published in Official Journal		

Technical information

Procedure reference	1998/0189(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Directive
	Amending Directive 95/59/EC 1994/0204(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 093
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/10281

Documentation gateway

Legislative proposal		COM(1998)0320 OJ C 203 30.06.1998, p. 0016	15/05/1998	EC	Summary
Economic and Social Committee: opinion, report		CES1306/1998 OJ C 410 30.12.1998, p. 0001	15/10/1998	ESC	
Committee report tabled for plenary, 1st reading/single reading		A4-0021/1999 OJ C 150 28.05.1999, p. 0003	20/01/1999	EP	
Text adopted by Parliament, 1st reading/single reading		T4-0135/1999 OJ C 153 01.06.1999, p. 0014-0038	25/02/1999	EP	Summary

Final act

Directive 1999/81
OJ L 211 11.08.1999, p. 0047 Summary

Cigarettes and manufactured tobacco: taxes and taxes on consumption

OBJECTIVE: the proposal for a Directive seeks to make certain technical adjustments to existing Community legislation in the field of taxation of manufactured tobacco. SUBSTANCE: in the light of the Commission report on the structure and rates of excise duty on manufactured tobacco (annexed to the proposal), the Commission proposes to amend: - certain provisions of Directive 92/79/EEC on the approximation of taxes on cigarettes; the aim is to allow the Member States greater latitude to adjust the incidence of the overall minimum excise duty in the event of a change in the retail selling price of cigarettes in the most popular price category; - certain provisions of Directive 92/80/EEC on the approximation of taxes on manufactured tobacco other than cigarettes: the Commission proposes amending existing legislation so as to allow Member States also to levy a minimum excise duty on cigars, cigarillos and smoking tobacco. The specific minimum rates for tobaccos other than cigarettes must be adjusted in line with inflation. Two-yearly adjustments to the structure or rates of excise seem too frequent: five- yearly intervals are considered more appropriate; - certain provisions of Directive 95/59/EC on taxes other than turnover taxes which affect the consumption of manufactured tobacco: it is proposed that the Member States be allowed greater latitude to adjust the specific component of excise duty in the event of a change in the retail selling price of cigarettes in the most popular price category.?

Cigarettes and manufactured tobacco: taxes and taxes on consumption

The Committee approved the proposal subject to a handful of amendments calling on the Commission to report every four, instead of five, years. The rapporteur, Mr Werner LANGEN (EPP, D) stressed that more frequent reporting is necessary given the increase in tax evasion. ?

Cigarettes and manufactured tobacco: taxes and taxes on consumption

The Parliament approved the Commission's proposal subject to some amendments. Parliament's rapporteur was Mr. Werner Langen (EPP, Germany). The most immortant amendment adopted would oblige the Commission to submit an evaluation report on tobacco taxes and, in particular, the implications of different rates of duty applying across the EU before 30 June 2000, rather than 31 December 2002, as proposed

by the Commission. ?

Cigarettes and manufactured tobacco: taxes and taxes on consumption

PURPOSE : to ensure a more uniform application of rules in force in the field of taxes on manufactured tobacco, with the aim of facilitating the operation of the internal market. COMMUNITY MEASURE : Council Directive 1999/81/EC amending Directive 92/79/EEC on the approximation of taxes on cigarettes, Directive 92/80/EEC on the approximation of taxes on manufactured tobacco other than cigarettes and Directive 95/59/EC on taxes other than turnover taxes which affect the consumption of manufactured tobacco. CONTENT : the Directive follows on from a report from the European Commission on the operation of the current excise system on tobacco, which foresees an overall minimum excise rate of 57% of the retail selling price on cigarettes in the most popular price category. The Member States will keep a sufficient margin of manoeuvre in order to determine and implement the policies adapted to the conditions of their national market. They will have some scope in adjusting the incidence of the overall minimum excise rate in the event of changes in the retail price of cigarettes in the most popular price category or in value added tax (VAT). In addition, they will be able to neutralise the impact of changes in the VAT rate on the overall minimum excise rate by ensuring that it does not create competition distortions. Under the terms of the Directive, Sweden can postpone up and until 31.12.2002, the application of the overall minimum excise duty equivalent to 57% of the retail price of cigarettes in the most popular category. Up to and including 31/12/2002, France may apply, for cigarettes sold on the island of Corsica, the same rates as those in force on 31/12/1997. As for Germany, the Directive allows it an additional period to align its national rates for fine-cut tobacco with Community legislation. The Directive provides for the re-examination of the structure and the excise rates every three years and for the first time not later than 31/12/2000. ENTRY INTO FORCE : 01/01/1999. DEADLINE SET FOR THE TRANSPOSITION : 01/01/1999.?