


Procedure file

| Basic information | | |
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| CNS - Consultation procedure Directive | 2000/0223(CNS) | Procedure completed |
| Value added tax VAT: length of application of the current minimum standard rate, 2001-2005 (amend. Directive 77/388/EEC) | | |
| Subject 2.70.02 Indirect taxation, VAT, excise duties | | |

| Key players | | | |
|-------------------------------|--|---|--------------------|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | ECON Economic and Monetary Affairs | PSE TORRES MARQUES Helena | 25/10/2000 |
| Council of the European Union | Council configuration Economic and Financial Affairs ECOFIN | Meeting 2326 | Date 19/01/2001 |
| European Commission | Commission DG Taxation and Customs Union | Commissioner | |

| Key events | | | |
|------------|---|---|---------|
| 20/09/2000 | Legislative proposal published | COM(2000)0537 | Summary |
| 27/10/2000 | Committee referral announced in Parliament | | |
| 28/11/2000 | Vote in committee | | Summary |
| 28/11/2000 | Committee report tabled for plenary, 1st reading/single reading | A5-0366/2000 | |
| 13/12/2000 | Debate in Parliament |  | |
| 14/12/2000 | Decision by Parliament | T5-0577/2000 | Summary |
| 19/01/2001 | Act adopted by Council after consultation of Parliament | | |
| 19/01/2001 | End of procedure in Parliament | | |
| 24/01/2001 | Final act published in Official Journal | | |

| Technical information | |
|-----------------------|----------------|
| Procedure reference | 2000/0223(CNS) |

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| Procedure type | CNS - Consultation procedure |
| Procedure subtype | Legislation |
| Legislative instrument | Directive |
| Legal basis | EC Treaty (after Amsterdam) EC 093 |
| Stage reached in procedure | Procedure completed |
| Committee dossier | ECON/5/13896 |

Documentation gateway

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|---|---|------------|-----|---------|
| Legislative proposal | COM(2000)0537 OJ C 029 30.01.2001, p. 0265 E | 20/09/2000 | EC | Summary |
| Committee report tabled for plenary, 1st reading/single reading | A5-0366/2000 OJ C 232 17.08.2001, p. 0008 | 28/11/2000 | EP | |
| Economic and Social Committee: opinion, report | CES1440/2000 OJ C 116 20.04.2001, p. 0067 | 29/11/2000 | ESC | |
| Text adopted by Parliament, 1st reading/single reading | T5-0577/2000 OJ C 232 17.08.2001, p. 0205-0330 | 14/12/2000 | EP | Summary |

Additional information

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| European Commission | EUR-Lex |
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Final act

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| Directive 2001/41 Summary |
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Value added tax VAT: length of application of the current minimum standard rate, 2001-2005 (amend. Directive 77/388/EEC)

PURPOSE : to present a proposal for a Council Directive aiming to amend Directive 77/388/EEC on the common system of value added tax, with regard to the length of time during which the minimum standard rate is to be applied. CONTENT : earlier proposals relating to approximate rates of value added tax have been amended by the Council several times, however, throughout this process the Council kept only the principle of the minimum rate. Since then, the Commission has recently adopted a new strategy aimed at improving the operation of the VAT system in the internal market. This strategy does not call into question the idea of a definitive system of taxation or harmonisation of the rates as long-term objectives. However, having said this, the Commission proposed a phased strategy geared to four major objectives, namely simplification and modernisation of current rules, more uniform application of the existing legislation and closer administrative cooperation. During this period, however, it is important to prevent growing divergence in the standard rates of VAT applied by the Member States from leading to structural imbalances in the EU and distortions of competition in certain sectors of activity. Therefore, the aim of this proposal is to enable the Council to extend the period of application of the minimum standard rate of value added tax. The minimum level for the standard rate is therefore set at 15% for a period of 5 years, from 1 January 2001 to 31 December 2005. This provision will be subject to revision, given that the Council, acting on a proposal to be submitted by the Commission not later than 31 December 2005, must decide what the standard rate is to be after that date. ?

Value added tax VAT: length of application of the current minimum standard rate, 2001-2005 (amend. Directive 77/388/EEC)

The committee adopted the report by Helena TORRES MARQUES (PES, P) amending the proposal under the consultation procedure. It felt that any further postponement of the introduction of a common system of VAT should be for a limited time only, and accordingly called for the period during which the present arrangements would be extended to be reduced from 5 to 3 years (i.e. until 31 December 2003). The committee also wanted to remove the existing unanimity requirement for the decision on the level of the standard rate, given that the question about the future decision-making procedure for tax matters was currently being debated in the context of the IGC. ?

Value added tax VAT: length of application of the current minimum standard rate, 2001-2005 (amend. Directive 77/388/EEC)

In adopting the report drafted by Mrs Helena TORRES MARQUES (PES, P), the European Parliament called for the introduction of a common VAT system. The House believed that it was appropriate to maintain the current minimum standard rate at 15% for a limited period and that instead of extending the present arrangements for another 5 years, as proposed by the Commission, it should in fact be reduced to 3 years, i.e. until 31 December 2003. ?

Value added tax VAT: length of application of the current minimum standard rate, 2001-2005 (amend. Directive 77/388/EEC)

PURPOSE : to extend the length of time during which the minimum standard rate of VAT is to be applied. COMMUNITY MEASURE : Council Directive 2001/41/EC amending the sixth Directive (77/388/EEC) on the common system of value added tax, with regard to the length of time during which the minimum standard rate is to be applied. CONTENT : the present Directive stipulates that the standard rate of value added tax shall be fixed by each Member State as a percentage of the taxable amount and shall be the same for the supply of goods and for the supply of services. From January 2001 to 31 December 2005, this percentage may not be less than 15%. On a proposal from the Commission and after consulting the European Parliament and the Economic and Social Committee, the Council shall decide unanimously on the level of the standard rate to be applied after 31 December 2005. DEADLINE SET FOR THE TRANSPOSITION : 01/01/2001.?