

Procedure file

Basic information		
CNS - Consultation procedure Directive	2003/0317(CNS)	Procedure completed
Value added tax VAT: extending reduced rates to labour-intensive services (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		18/12/2003
		PSE RANDZIO-PLATH Christa	
	Committee for opinion	Rapporteur for opinion	Appointed
	EMPL Employment and Social Affairs		
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	2560	10/02/2004
	Environment	2556	22/12/2003
European Commission	Commission DG	Commissioner	
	Taxation and Customs Union		

Key events			
16/12/2003	Legislative proposal published	COM(2003)0825	Summary
18/12/2003	Committee referral announced in Parliament		
22/12/2003	Resolution/conclusions adopted by Council		
12/01/2004	Vote in committee		
12/01/2004	Committee report tabled for plenary, 1st reading/single reading	A5-0001/2004	
15/01/2004	Decision by Parliament	T5-0025/2004	Summary
10/02/2004	Act adopted by Council after consultation of Parliament		
10/02/2004	End of procedure in Parliament		
21/02/2004	Final act published in Official Journal		

Technical information	
Procedure reference	2003/0317(CNS)
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/5/20528

Documentation gateway					
Legislative proposal		COM(2003)0825	16/12/2003	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0001/2004	12/01/2004	EP	
Text adopted by Parliament, 1st reading/single reading		T5-0025/2004 OJ C 092 16.04.2004, p. 0338-0382 E	15/01/2004	EP	Summary
Economic and Social Committee: opinion, report		CES0103/2004 OJ C 108 30.04.2004, p. 0078-0079	28/01/2004	ESC	
Implementing legislative act		32004D0161 OJ L 052 21.02.2004, p. 0062-0063	10/02/2004	EU	Summary

Additional information	
European Commission	EUR-Lex

Final act
Directive 2004/15 OJ L 052 21.02.2004, p. 0061-0061 Summary

Value added tax VAT: extending reduced rates to labour-intensive services (amend. Directive 77/388/EEC)

PURPOSE : to extend the period of application of the facility allowing Member States to apply reduced VAT rates to some labour-intensive services, and amend directive 77/388/EEC. PROPOSED ACT : Council Directive. CONTENT : in 1999, the Council adopted Directive 1999/85/EC amending Directive 77/388/EEC (the 6th VAT Directive) as regards the possibility of applying on an experimental basis a reduced VAT rate on labour-intensive services. Its purpose is to allow Member States that so wish to test the impact of a targeted reduction of VAT on these services in terms of job creation and a reduction of the underground economy. Article 28(6) of the 6th VAT Directive authorises the experimental application of a reduced rate of VAT on labour-intensive services up to 31 December 2003. It requires Member States that have applied such reduced rates to draw up a detailed report by 1 October 2002 assessing the measures' effectiveness in terms of job-creation and efficiency. On the basis of the assessment reports submitted by the Member States that have applied the reduced rate, the Commission submitted a global evaluation report on the experiment, and in 2003, the Commission adopted a proposal for a Directive introducing a general review of reduced rates of VAT to simplify and rationalise them. The proposal takes account of the conclusions of the evaluation report and fits into the framework defined in the Commission's Communication on a strategy to improve the operation of the VAT system within the context of the internal market. Since the Council has not yet been able to reach an unanimous decision to adopt the proposed Directive, in order to avoid legal uncertainty from 1 January 2004 and give the Council time to take a decision on the general proposal regarding reduced rates of VAT, the first subparagraph of Article 28(6) of Directive 77/388/EEC and the first paragraph of Article 1 of Decision 2000/185/EC should be amended to extend the validity of the authorisation for two years up to 31 December 2005 at the latest. This would allow the nine Member States currently applying a reduced rate of VAT to labour-intensive services to continue to do so for another two years under the same conditions, without changing or extending the scope of the experiment.?

Value added tax VAT: extending reduced rates to labour-intensive services (amend. Directive 77/388/EEC)

The European Parliament adopted a resolution drafted by Christa RANDZIO-PLATH and approved the Commission's proposal.?

Value added tax VAT: extending reduced rates to labour-intensive services (amend. Directive 77/388/EEC)

PURPOSE: to extend the period of application of the facility allowing Member States to apply reduced VAT rates to some labour-intensive services, and amend Directive 77/388/EEC. LEGISLATIVE ACT: Council Directive 2004/15/EC amending Directive 77/388/EEC to extend the facility allowing Member States to apply reduced rates of VAT to certain labour-intensive services. CONTENT: Since the Council has not reached an agreement on the content of the proposal on the overall revision of reduced VAT rates, it was decided, in order to avoid legal uncertainty from 1 January 2004, to extend until 31/12/2005 the facility allowing Member States to apply reduced VAT rates to some labour-intensive services. ENTRY INTO FORCE: 21/02/2004. DATE APPLICABLE : 01/01/2004.?

Value added tax VAT: extending reduced rates to labour-intensive services (amend. Directive 77/388/EEC)

LEGISLATIVE ACT: Council Directive 2004/15/EC amending Directive 77/388/EEC to extend the facility allowing Member States to apply reduced rates of VAT to certain labour-intensive services. CONTENT: This decision authorises Belgium, Greece, Spain, France, Italy, Luxembourg, the Netherlands, Portugal and the UK to apply up 31 December 2005 a reduced rate of VAT on certain labour-intensive services for which they had submitted an application. ENTRY INTO FORCE: 01/01/2004.?