



Procedure file

| Basic information | | |
|--|--------------------------------|-------------------------------|
| CNS - Consultation procedure Directive | 2006/0165(CNS) | Procedure lapsed or withdrawn |
| Alcohol and alcoholic beverages: adjust the minimum rates of excise duty (amend. Directive 92/84/EEC) | | |
| Subject 2.70.02 Indirect taxation, VAT, excise duties 3.10.06.08 Wine, alcoholic and non-alcoholic beverages | | |

| Key players | | | |
|-------------------------------|---|---|------------|
| European Parliament | Committee responsible | Rapporteur | Appointed |
| | ECON Economic and Monetary Affairs | | 25/09/2006 |
| | | PPE-DE LULLING Astrid | |
| Council of the European Union | Committee for opinion | Rapporteur for opinion | Appointed |
| | ENVI Environment, Public Health and Food Safety | The committee decided not to give an opinion. | |
| | AGRI Agriculture and Rural Development | The committee decided not to give an opinion. | |
| European Commission | Council configuration | Meeting | Date |
| | Economic and Financial Affairs ECOFIN | 2766 | 28/11/2006 |
| | Economic and Financial Affairs ECOFIN | 2759 | 07/11/2006 |
| | Commission DG Taxation and Customs Union | Commissioner ŠEMETA Algirdas | |

| Key events | | | |
|------------|---|---|---------|
| 08/09/2006 | Legislative proposal published | COM(2006)0486 | Summary |
| 28/09/2006 | Committee referral announced in Parliament | | |
| 07/11/2006 | Debate in Council | 2759 | |
| 28/11/2006 | Debate in Council | 2766 | Summary |
| 11/04/2007 | Vote in committee | | Summary |
| 18/04/2007 | Committee report tabled for plenary, 1st reading/single reading | A6-0148/2007 | |
| 22/05/2007 | Debate in Parliament |  | |
| 23/05/2007 | Results of vote in Parliament |  | |

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|------------|----------------------------------|------------------------------|---------|
| 23/05/2007 | Decision by Parliament | | Summary |
| 10/07/2007 | Decision by Parliament | T6-0324/2007 | Summary |
| 07/03/2015 | Proposal withdrawn by Commission | | |

Technical information

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| Procedure reference | 2006/0165(CNS) |
| Procedure type | CNS - Consultation procedure |
| Procedure subtype | Legislation |
| Legislative instrument | Directive |
| Legal basis | Treaty on the Functioning of the EU TFEU 113 |
| Stage reached in procedure | Procedure lapsed or withdrawn |
| Committee dossier | ECON/6/40335 |

Documentation gateway

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|---|-------------------------------|------------|-----|---------|
| Legislative proposal | COM(2006)0486 | 08/09/2006 | EC | Summary |
| Committee draft report | PE384.545 | 13/02/2007 | EP | |
| Committee report tabled for plenary, 1st reading/single reading | A6-0148/2007 | 18/04/2007 | EP | |
| Economic and Social Committee: opinion, report | CES0789/2007 | 30/05/2007 | ESC | |
| Amendments tabled in committee | PE386.495 | 29/06/2007 | EP | |
| Text adopted by Parliament, 1st reading/single reading | T6-0324/2007 | 10/07/2007 | EP | Summary |
| Commission response to text adopted in plenary | SP(2007)4170 | 29/08/2007 | EC | |

Additional information

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|----------------------|-------------------------|
| National parliaments | IPEX |
| European Commission | EUR-Lex |

Alcohol and alcoholic beverages: adjust the minimum rates of excise duty (amend. Directive 92/84/EEC)

PURPOSE : to update the existing Directive 92/84/EEC on the approximation of the rates of excise duty on alcohol and alcoholic beverages by increasing the minimum rates in order to restore their real value agreed by Council in 1992.

PROPOSED ACT : Council Directive.

CONTENT : under Article 8 of Council Directive 92/84/EEC on the approximation of the rates of excise duty on alcohol and alcoholic beverages, the Commission is required to undertake regular reviews and to produce a report, and where appropriate a proposal, upon which the Council shall examine the rates of duty laid down in that Directive.

The Commission's report, presented on 26 May 2004, concluded that more convergence of the rates of excise duty in the different Member States is needed so as to ensure the proper functioning of the internal market, in particular with regard to the potential for distortions of competition and fraud. However, given the widely differing views in the Member States about the appropriate levels of the minimum rates, and given that any change would require unanimous agreement, the Commission did not make a proposal at that time. Instead the Commission indicated that it wished to launch a broad debate in the Council, the European Parliament and the Economic and Social Committee and that on the basis of the outcome of this debate the Commission would then decide whether or not to submit proposals on all or some of the issues raised in the report.

Having assessed the position, the Commission proposes to amend Directive 92/84/EEC by:

- revalorising the minimum rates on alcohol, intermediate products and beer in line with inflation from 1993 to 2005, which is in the order of 31%, to take effect from 1 January 2008;
- providing, by way of derogation, transitional periods up to 1 January 2010 for those Member States that may have difficulties in increasing their national rates by 1 January 2008 to meet the revalorised minima, such transitional periods being determined by the efforts required of the Member States concerned;
- rendering the review procedure under Article 8 of the Directive more flexible and less onerous and to prolong the review period from 2 years to 4 years.

The primary purpose of revalorising the minimum rates is to restore their real value of 1992. Increasing minimum rates to account for inflation does not, by definition, produce real value increases. On the other hand, failure to maintain the specific minimum rates in line with inflation would result in erosion of their real value. Consequently, such increases in the minimum rates are necessary in order to maintain the level of rates which the Council agreed in 1992, as a requirement to ensure the functioning of the Internal Market without fiscal borders.

Alcohol and alcoholic beverages: adjust the minimum rates of excise duty (amend. Directive 92/84/EEC)

The Council examined proposed adjustments to minimum excise duty rates on alcoholic beverages, aimed at countering the effects of inflation, and a proposed mechanism for review of the rates in order to cater for inflation in the future.

It invited the Commission to carry out a comprehensive study of the taxation of alcohol and alcoholic beverages, including trends in competitive positions and in levels of taxes and prices, and to present the results of that study during the first half of 2007, with a view to facilitating further Council decision-making as regards alcohol taxation.

Alcohol and alcoholic beverages: adjust the minimum rates of excise duty (amend. Directive 92/84/EEC)

The committee adopted the report by Astrid LULLING (EPP-ED, LU) amending - under the consultation procedure - the proposed directive amending Directive 92/84/EEC on the approximation of the rates of excise duty on alcohol and alcoholic beverages. MEPs in the committee voted to repeal Article 1, Article 3(1) subparagraph 1 and Articles 4, 6 and 8 of Directive 92/84/EEC dealing with minimum rates of excise duty, and instead proposed that Member States, on a proposal from the Commission, should lay down a Code of Conduct no later than 31 December 2009 under which Member States with duties above the EU average would take steps to freeze and gradually lower them, and those with duties below the average would consider raising them by an appropriate amount, in both cases "depending on the status of their economic cycles".

Alcohol and alcoholic beverages: adjust the minimum rates of excise duty (amend. Directive 92/84/EEC)

The Parliament rejected the Commission proposal.

As the Commission did not withdraw its proposal, the matter was thereby referred back to the committee responsible under Rule 52(3).

Alcohol and alcoholic beverages: adjust the minimum rates of excise duty (amend. Directive 92/84/EEC)

The opinion of the Parliament in this consultation procedure is to reject the Commission proposal.

In procedural terms, the Framework Agreement on relations between the European Parliament and the Commission provides that the Commission shall undertake, if appropriate, to withdraw a legislative proposal that Parliament has rejected. If, for important reasons and after consideration by the College, the Commission decides to maintain its proposal, it shall explain the reasons for that decision in a statement before Parliament.