

**Question for written answer E-013720/2015
to the Commission**
Rule 130
Sofia Sakorafa (GUE/NGL)

Subject: Aegean Islands' economy undermined by VAT hikes

The phasing out of reduced VAT rates is having a serious impact on the Greek tourism sector, especially in the Aegean Islands, where they were not so much a form of preferential treatment as an attempt to offset increased transport costs and their geographical dispersal. Implementation of this measure in six Aegean Islands from 1 October 2015, without proper planning or preparation will further aggravate problems of liquidity and competitiveness at both national and local level.

It also runs counter to the constitutional principle of equality between citizens, given that it affects only a limited number of taxpayers. The fact that it currently applies to only a certain number of islands in the absence of specific criteria is effectively tantamount to additional taxation in breach of the constitutional principle of proportionality, given that the residents of the six islands in question are required to pay higher VAT than the inhabitants of the other Aegean islands at least.

In view of this:

1. As the guarantor of EU legislation, what action will the Commission take, given that this measure runs counter to Article 120 of Directive 2006/112/EC on the common system of VAT in the EU Member States?
2. Will EU funding be made available to promote additional structural growth measures in the Aegean Islands to offset the phasing out of concessionary VAT rates?