

WRITTEN QUESTION P-0562/09
by Louis Grech (PSE)
to the Commission

Subject: Vehicle registration tax

In October 2007 Joseph Muscat and the undersigned lodged a complaint with Commissioner Kovacs that the Maltese authorities were unjustifiably levying VAT on the vehicle registration tax element.

We maintained that this illegality by the Maltese Government was not in conformity with the ruling given by the European Court of Justice in the De Danske Bilimporter case (C-98/05) and insisted that consumers who had been made to pay this unjustified tax should be refunded the relevant amount immediately.

In the recent budget speech the Government announced that with effect from 1 January 2009 this illegal VAT system on vehicle registration would be abolished as per Legal Notice 335 of 2008.

Having said that and following a number of meetings I held in the past three months with the Commissioner for Taxation, I was given to understand by the Commissioner's office that the Government has no other option but to effect the relevant tax refunds under conditions not worse than those normally applied by national tax authorities.

In this respect, would the Commission confirm that the Maltese Government has to issue refunds on related VAT levied on vehicle registration tax to all those individuals or entities who purchased a car with effect from May 2004?

Moreover, would it constitute an infringement on the part of the Maltese Government in the event that the Maltese tax authorities do not reimburse monies due arising from tax refunds to all those consumers who were affected by this unfair system?