



EUROPEAN PARLIAMENT

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*Committee on Transport and Tourism*

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**2011/2082(INI)**

23.8.2011

# **AMENDMENTS**

## **1 - 23**

**Draft opinion**  
**Markus Ferber**  
(PE469.769v01-00)

on the future of VAT  
(2011/2082(INI))

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PE469.988v01-00

**EN**

*United in diversity*

**EN**

AM\_Com\_NonLegOpinion

**Amendment 1**  
**Dominique Riquet**

**Draft opinion**  
**Paragraph 1**

*Draft opinion*

1. Is of the opinion that the proper functioning of the internal market is hampered by the current rules regarding VAT on passenger transport;

*Amendment*

1. Is of the opinion that the proper functioning of the internal market is hampered by the current rules regarding VAT on passenger transport, ***which creates distortions in competition between transport modes and is prejudicial to improving the social and environmental effectiveness of transport,***

Or. fr

**Amendment 2**  
**Michael Cramer, Isabelle Durant**

**Draft opinion**  
**Paragraph 1**

*Draft opinion*

1. Is of the opinion that the proper functioning of the internal market is hampered by the current rules regarding VAT on passenger transport;

*Amendment*

1. Is of the opinion that the proper functioning of the internal market is hampered by the ***diversity and unfair design of*** current rules regarding VAT on ***freight and*** passenger transport;

Or. en

**Amendment 3**  
**Silvia-Adriana Țicău**

**Draft opinion**  
**Paragraph 1 a (new)**

***1a. Since electronic billing helps reduce late payments, reduces the risk of errors and fraud and cuts administrative costs, calls on the Commission and Member States to take the necessary steps to ensure that electronic billing becomes the main method of invoicing in the field of transport by 2020; points out that, as from 1 January 2013, pursuant to the new VAT rules laid down in Directive 2010/45/EU, Member States must ensure equal treatment for electronic invoices and paper invoices;***

Or. ro

**Amendment 4**  
**Michael Cramer, Isabelle Durant**

**Draft opinion**  
**Paragraph 2**

*Draft opinion*

2. Draws attention to the complex and unfair situation regarding passenger transport: domestic passenger transport is taxed in almost all Member States. There are, however, exemptions, zero rates and different rates depending on the mode of transport and the Member State. International transport by sea and air, which includes intra-EU cross-border transport, is exempt from VAT in all Member States, whereas the situation regarding other modes varies across Member States. In addition, international air and sea transport providers can purchase some goods and services free of VAT;

*Amendment*

2. Draws attention to the complex and unfair situation regarding passenger transport: domestic passenger transport is taxed in almost all Member States. There are, however, exemptions, zero rates and different rates depending on the mode of transport and the Member State. International transport by sea and air, which includes intra-EU cross-border transport, is exempt from VAT in all Member States, whereas the situation regarding other modes varies across Member States. In addition, international air and sea transport providers can purchase some goods and services free of VAT, ***which creates an unfair cash-flow advantage compared with other modes of transport;***

**Amendment 5**  
**Michael Cramer, Isabelle Durant**

**Draft opinion**  
**Paragraph 2**

*Draft opinion*

2. Draws attention to the complex and unfair situation regarding passenger transport: domestic passenger transport is taxed in almost all Member States. There are, however, exemptions, zero rates and different rates depending on the mode of transport and the Member State. International transport by sea and air, which includes intra-EU cross-border transport, is exempt from VAT in all Member States, whereas the situation regarding other modes varies across Member States. In addition, international air and sea transport providers can purchase some goods and services free of VAT;

*Amendment*

2. Draws attention to the ***agreed EU 20-20-20 targets by 2020 and to the*** complex and unfair situation regarding passenger transport: domestic passenger transport is taxed in almost all Member States. There are, however, exemptions, zero rates and different rates depending on the mode of transport and the Member State. International transport by sea and air, which includes intra-EU cross-border transport, is exempt from VAT in all Member States, whereas the situation regarding ***domestic flights and*** other modes varies across Member States. In addition, international air and sea transport providers can purchase some goods and services free of VAT;

Or. en

**Amendment 6**  
**Silvia-Adriana Țicău**

**Draft opinion**  
**Paragraph 2 a (new)**

*Draft opinion*

*Amendment*

***2a. In view of the importance of multi-modal transport, calls on the Commission and Member States to see to the introduction of a European system of electronic passenger information and for the reservation and purchasing of tickets, including electronically; the information***

*provided by that system to those wishing to access it should be comprehensive and contain clear details of all applicable taxes;*

Or. ro

**Amendment 7**  
**Ramon Tremosa i Balcells, Artur Zasada**

**Draft opinion**  
**Paragraph 3**

*Draft opinion*

*Amendment*

**3. Draws attention to the proposed 60 % reduction in greenhouse gas emissions from transport by 2050 as compared with 1990, and stresses the need for 'getting prices right and avoiding distortions';** **deleted**

Or. en

*Justification*

*This paragraph implies that an additional tax will improve the carbon footprint of transport (by reducing mobility because of increased fares). Aviation will already be included in the EU ETS scheme as from 1 January 2012 and that scheme will curb its GHG emissions.*

*This reasoning is wrong as far a VAT is concerned because it will be deductible for business trips (representing 22 % of passengers (or 33% of revenue) of the market in EU).*

*This reasoning is also in contradiction with the objective of the recently adopted White Paper on the Future of Transport which clearly states: "The challenge is to break the transport system's dependence on oil **without** sacrificing its efficiency and **compromising mobility**".*

*It is also in contradiction with the 2010 Bruges Declaration, endorsed by the EC and the Council, states: "Maintain and improve a competitive aviation industry to create employment opportunities in Europe; in that context, avoid additional burdens (e.g. taxation on aviation affecting European carriers' competitiveness)".*

**Amendment 8**  
**Dominique Riquet**

**Draft opinion  
Paragraph 3**

*Draft opinion*

3. Draws attention to the proposed 60 % reduction in greenhouse gas emissions from transport by 2050 as compared with 1990, and stresses the need for **‘getting prices right and avoiding distortions’**;

*Amendment*

3. Draws attention to the proposed 60 % reduction in greenhouse gas emissions from transport by 2050 as compared with 1990, and stresses the need **to set VAT harmonisation and exoneration rates which help to promote achievement of the EU’s objectives in the field of greenhouse gas reduction**;

Or. fr

**Amendment 9  
Peter van Dalen**

**Draft opinion  
Paragraph 4**

*Draft opinion*

4. Calls for a **harmonised standard or reduced VAT rate for all intra-EU cross-border travel regardless of the mode of transport, and for harmonised regulation of VAT deductability**;

*Amendment*

4. Calls for a reduced VAT rate for all intra-EU cross-border travel regardless of the mode of transport;

Or. en

**Amendment 10  
Michael Cramer, Isabelle Durant**

**Draft opinion  
Paragraph 4**

*Draft opinion*

4. Calls for a harmonised standard or reduced VAT rate for all intra-EU cross-border travel regardless of the mode of transport, and for harmonised regulation of

*Amendment*

4. Calls for a harmonised standard or reduced VAT rate for all intra-EU cross-border travel regardless of the mode of transport, and for harmonised regulation of

VAT deductability;

VAT deductability; *encourages the Commission and the Member States to introduce harmonised VAT rates for all modes of transport in the EU and the goods and services they purchase in order to guarantee fair competition between all of them;*

Or. en

**Amendment 11**  
**Rolandas Paksas**

**Draft opinion**  
**Paragraph 4**

*Draft opinion*

4. Calls for a *harmonised standard or* reduced VAT rate for all intra-EU cross-border travel regardless of the mode of transport, and for harmonised regulation of VAT deductability;

*Amendment*

4. Calls for a reduced VAT rate for all intra-EU cross-border travel regardless of the mode of transport, and for harmonised regulation *and monitoring* of VAT deductability;

Or. It

**Amendment 12**  
**Dirk Sterckx**

**Draft opinion**  
**Paragraph 4 a (new)**

*Draft opinion*

*4a. Calls for more transparency; the various VAT rates applicable in passenger transport should be easily accessible and if possible mentioned on the tickets, in order to inform the passengers as to the exact cost of their journey;*

Or. en

**Amendment 13**  
**Zigmantas Balčytis**

**Draft opinion**  
**Paragraph 5**

*Draft opinion*

5. Supports, however, a lower or zero rate for public transport for public-interest, social and environmental reasons;

*Amendment*

5. Supports, however, a lower or zero rate for public transport for public-interest, social and environmental reasons; ***calls consequently for an increase in investment aimed at enhancing the quality and attractiveness of public transport services, fleet renewal, reducing pollution and increasing the safety of passengers and other users;***

Or. It

**Amendment 14**  
**Rolandas Paksas**

**Draft opinion**  
**Paragraph 5**

*Draft opinion*

5. Supports, however, a lower or zero rate for public transport for public-interest, social and environmental reasons;

*Amendment*

5. Supports, however, a lower or zero rate for public transport for public-interest, social and environmental reasons; ***considers that a reduction in the VAT rate would guarantee people's mobility, help reduce urban congestion, increase environmental performance and reduce the accident rate;***

Or. It

**Amendment 15**  
**Michael Cramer, Isabelle Durant**

**Draft opinion**  
**Paragraph 5**

*Draft opinion*

5. Supports, however, a lower or zero rate for public transport for public-interest, social and environmental reasons;

*Amendment*

5. Supports, however, a lower or zero rate for **surface** public transport for public-interest, social and environmental reasons;

Or. en

**Amendment 16**  
**Spyros Danellis**

**Draft opinion**  
**Paragraph 5 a (new)**

*Draft opinion*

*Amendment*

***5a. Calls on the Commission to align future amendments of Annex III (reduced rate) of the VAT directive with EU transport policy objectives; this could entail, inter alia, a reduced rate for crash helmets in the context of the EU's effort to reduce fatalities among motorcyclists;***

Or. en

**Amendment 17**  
**Spyros Danellis**

**Draft opinion**  
**Paragraph 5 b (new)**

*Draft opinion*

*Amendment*

***5b. Notes with regret that only a small number of Member States currently make use of the reduced VAT rate on bicycles, despite the fact that cycling reduces congestion and emissions, and contributes to public health;***

Or. en

**Amendment 18**  
**Ramon Tremosa i Balcells, Artur Zasada**

**Draft opinion**  
**Paragraph 6**

*Draft opinion*

6. Is concerned about the current rule whereby, where VAT is applied, the supply of passenger transport is taxed in accordance with where the transport actually takes place, proportionately to the distance covered in each Member State.  
***Considers that passenger transport should be taxed at the place of departure in order to reduce complexity and improve enforceability;***

*Amendment*

6. Is concerned about the current rule whereby, where VAT is applied, the supply of passenger transport is taxed in accordance with where the transport actually takes place, proportionately to the distance covered in each Member State;  
***realises, however, that, for aviation, changing the "place of supply rule" into the "place of departure rule" would lead to irrational results and create the potential for new distortions in the market place.***

Or. en

*Justification*

*The place of departure rule in aviation would lead to:*

***irrational results:*** any proposal to treat an international flight departing from, say, Frankfurt as being wholly supplied in Germany, would introduce conflict with the fundamental principle (widely recognised amongst OECD members) that for consumption tax purposes services should be taxed according to the rules of the jurisdiction of consumption.

***Four new distortions in the marketplace could occur:***

1. Airports of departure that are located outside the EU but close to the EU border (e.g. Zurich/Geneva) could gain a significant competitive advantage over EU based airports just inside the border (e.g. Stuttgart/Lyon).

2. Similarly, absent harmonised rates, taxation in the country of departure could lead to arbitrage opportunities within the EU, with airports located in lower taxing jurisdictions becoming more attractive to residents of neighbouring higher-rate countries.

3. Airlines serving holiday customers and others who are flexible as to their destination, may also find that VAT distorts the market in favour of non-EU destinations and in particular, Morocco, Turkey and Croatia. If such distortion materialises, the losers economically will be the economies of Spain, Greece and Portugal.

4. Non-EU airlines flying (in 5<sup>th</sup> freedom) intra-EU segments would be treated differently than their EU competitors since those segments might continue to be exempted.

**Amendment 19**  
**Rolandas Paksas**

**Draft opinion**  
**Paragraph 6**

*Draft opinion*

6. Is concerned about the current rule whereby, where VAT is applied, the supply of passenger transport is taxed in accordance with where the transport actually takes place, proportionately to the distance covered in each Member State. Considers that passenger transport should be taxed at the place of departure in order to reduce complexity *and* improve enforceability;

*Amendment*

6. Is concerned about the current rule whereby, where VAT is applied, the supply of passenger transport is taxed in accordance with where the transport actually takes place, proportionately to the distance covered in each Member State. Considers that passenger transport should be taxed at the place of departure in order to reduce complexity, improve enforceability *and reduce the administrative burden on enterprises, and especially on SMEs*;

Or. It

**Amendment 20**  
**Peter van Dalen**

**Draft opinion**  
**Paragraph 6 a (new)**

*Draft opinion*

*Amendment*

**6a. Calls on the Commission and the Member States to end distortions of competition resulting from the application of the VAT exemption on the European postal market, especially in those Member States where the interpretation of the Judgment of the Court of Justice of the European Union in C-357/07 leads to a general exemption of VAT for high-volume business mail;**

**Amendment 21**  
**Carlo Fidanza, Spyros Danellis**

**Draft opinion**  
**Paragraph 6 a (new)**

*Draft opinion*

*Amendment*

***6a. Highlights the opportunity this presents for a reduced VAT rate on tourism to be progressively harmonised across the Member States as a necessary condition for transparent competition between tourist companies within the EU and with non-EU countries;***

Or. en

**Amendment 22**  
**Markus Ferber**

**Draft opinion**  
**Paragraph 6 a (new)**

*Draft opinion*

*Amendment*

***6a. Calls on the Council of the EU to speed up the adoption of the Directive proposal on the revision of the special VAT scheme for travel agents;***

Or. en

**Amendment 23**  
**Carlo Fidanza, Spyros Danellis**

**Draft opinion**  
**Paragraph 6 b (new)**

*Draft opinion*

*Amendment*

***6b. Calls on the Council of the European Union to speed up adoption of the proposal for a directive on modernisation of the special TOMS VAT scheme,***

*providing for an opt-in mechanism able to wipe out the competitive distortion between various categories of operators in the sector, as disparities in national laws currently have serious consequences;*

Or. en