

EUROPEAN PARLIAMENT

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WRITTEN DECLARATION

pursuant to Rule 116 of the Rules of Procedure

by Marie-Line Reynaud and Marie-Noëlle Lienemann

on the need for a lower VAT rate to remain in force in the building sector

Lapse date: 24.1.2006

Written declaration on the need for a lower VAT rate to remain in force in the building sector

The European Parliament,

- having regard to Rule 116 of its Rules of Procedure,
 - A. whereas the right - temporarily granted under Article 28(6) of Council Directive 77/388/EEC (the Sixth VAT Directive) - to apply lower VAT rates in respect of highly labour-intensive services (particularly in the building sector) will be withdrawn in December 2005, and whereas the derogations granted to the new Member States on a transitional basis will expire in December 2007,
 - B. whereas restoring the standard VAT rate in respect of building work in general in the Member States which have exercised the above-mentioned right and in the new Member States which make use of the transitional derogations will have a detrimental effect on employment, since the building sector has safeguarded or created over 200 000 jobs within the European Union and large-scale redundancies are likely if the lower VAT rate is abolished,
 - C. whereas restoring the standard VAT rate in the building sector would also jeopardise a significant number of social policies which focus on the renovation of old buildings and on access to decent, affordable housing,
1. Calls upon the Council:
 - (a) to take a decision promptly (before the end of 2005) to extend the provisions under which a lower VAT rate (5.5%) may be applied to renovation and maintenance work in the building sector;
 - (b) to make it possible on a long-term basis for the Member States which so request to apply a lower 5.5% VAT rate to work involving the renovation and upkeep of buildings and to the financing thereof;
 - (c) to extend the scope of the provision to encompass work on buildings which need to be adapted to the particular requirements associated with subsidised housing, housing for the elderly, housing intended for persons suffering from either a temporary or a long-term disability and housing intended to accommodate persons in distress or suffering from extreme poverty;
 2. Instructs its President to forward this declaration, together with the names of the signatories, to the Council, the Commission and the Member States.