

WRITTEN QUESTION E-3604/05
by Marie-Line Reynaud (PSE)
to the Commission

Subject: Keeping the reduced rate of value added tax (VAT)

Directive 1999/85/EC¹ of 22 October 1999, which allows those Member States wishing to do so to apply a reduced rate of VAT to renovation and building maintenance works, expires on 31 December 2005. In order to perpetuate the Community legislation resulting from this Directive (over 200 000 jobs have been created in the Member States that have benefited from the Directive) and to avoid the negative effects on employment that would result from a restoration of the full rate of VAT, it is vital:

- (a) that the provisions of the Directive be retained until a definitive system of VAT is adopted at European level;
- (b) that this possibility be extended to all Member States that so wish, in line with the principle of equality of treatment.

As a final point, France is in favour of prolonging this measure, as are all professionals directly affected by these provisions.

In view of the above, can the Commission indicate specifically what its position is on the matter?

¹ OJ L 277, 28.10.1999, p. 34.