

**Question for written answer E-010420/2012
to the Commission**

Rule 117

Constance Le Grip (PPE) and Alain Lamassoure (PPE)

Subject: Change to VAT rate on personal services in France

In its reasoned opinion of 21 June 2012, the Commission urged France to apply the full VAT rate to six types of personal services.

The Commission takes the view that these activities are neither intended to meet day-to-day needs closely linked to people's health and well-being nor covered by the definition of 'domestic care' employed in Directive 2006/112/EC. Yet the aim of these services is indeed to improve people's well-being. They are forms of basic assistance, particularly for vulnerable, dependent people; they reduce the burden of domestic chores and parental responsibilities and help people integrate into society and working life.

Furthermore, in Council Directive 2006/112/EC of 28 November 2006 the Commission specifies that a reduced VAT rate can be applied to a service if it is labour intensive, if the service is provided directly to final consumers, and if it is local and not likely to cause distortion of competition. Given that social security contributions and wages account for at least 80 % of the price charged for these services and that the services are provided directly to private individuals - the final consumers - and, what is more, in their own homes or in their home environment, the activities targeted by the Commission would seem to meet the criteria governing eligibility for a reduced VAT rate.

1. Given that these six types of personal service clearly contribute to improving people's health and well-being in accordance the criteria laid down in Directive 2006/112/EC, can the Commission give the reasons for its decision not to make them eligible for a reduced VAT rate?
2. What was the thinking behind the Commission's decision to include in the scope of its reasoned opinion, along with five well-defined activities, 'intermediary activities', given that the latter are not strictly speaking an activity, but rather a method of working which, in France, covers all personal services?
3. Is the Commission aware that an increase in the cost of these services will once again lead to them being provided on an undeclared basis, or that it may deprive a large number of dependent people of the services they currently receive, and that the impact on employment will be disastrous?