

**Question for written answer E-001740/2023  
to the Commission**  
Rule 138  
**Frances Fitzgerald (PPE)**

Subject: Removing VAT from donations

Every day, too many unsold products are dumped into landfill because this is cheaper than more sustainable alternatives such as charitable donations. European Environmental Bureau analysis shows the value of destroyed electronics and clothing in the EU will amount to EUR 71.29 billion by 2030 if no new measures are taken.

The European Green Deal seeks to incentivise more sustainable outcomes. However in many Member States companies must pay VAT when donating a product to charity, while product destruction is VAT free. This incremental cost makes it expensive for retailers to donate unsold stock to charities on a large scale.

In 2021, the Commission reformed the VAT rate system allowing Member States to implement lower VAT rates for environmentally friendly products and services. Commissioner Gentiloni confirmed in his answer to parliamentary question E-003465/2019 that the EU VAT Directive allows states to fully remove the VAT cost on charitable donations. Some states have implemented such VAT relief. Many others have not.

What action is the Commission planning to remove inconsistencies between EU VAT and environmental policies and to encourage states to leverage VAT neutralisation options which would allow unsold products to be donated to recognised charities, without triggering incremental VAT costs for the donor?

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