

ORAL QUESTION H-0063/06  
for Question Time at the part-session in February 2006  
pursuant to Rule 109 of the Rules of Procedure  
by Andrzej Szejna  
to the Commission

Subject: Polish rejection of the VAT agreement

Since 1999, nine of the 25 Member States have been allowed to apply a lower rate of VAT to 'labour-intensive services': home renovations, domestic care, window cleaning, small repairs to bicycles and clothes and hairdressing. Lately, Austria had proposed that they should continue to be allowed to do so until 2010. Poland and the Czech Republic were granted a derogation period until the end of 2007, allowing them to charge a reduced level of VAT on new housing. However, the proposal to extend this period after 2007 was not approved. On Monday, 30 January 2006, Poland rejected a deal agreed by all 24 other members of the European Union. The Polish refusal means that other EU countries are breaking the law when continuing to levy a lower rate of VAT on the above services, and legal action can be taken against them.

What further plans regarding this problem does the Commission have?

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