

**Question for oral answer O-000040/2015
to the Commission**

Rule 128

Sophia in 't Veld, Guy Verhofstadt, Petras Auštrevičius, Dita Charanzová, Fredrick Federley, Juan Carlos Girauta Vidal, Kaja Kallas, Louis Michel, Frédérique Ries, Marietje Schaake
on behalf of the ALDE Group

Subject: Reduced VAT rates for digital books and newspapers

The primary objective of the EU Digital Agenda is to develop a digital single market with a view to generating smart, sustainable and inclusive growth in Europe, so as to foster innovation, economic growth and progress.

Meanwhile, current VAT rules do not allow reduced VAT rates to be applied to electronically supplied services, such as electronic books and newspapers, which puts them at a disadvantage compared with printed books and newspapers. This not only distorts competition, but is contrary to the objectives of the EU Digital Agenda and the EU 2020 Strategy for a knowledge economy.

The Commission acknowledges on paper that similar goods and services should be subject to the same VAT rate and that progress in technology should be taken into account¹, yet it is not taking an active stance in the ongoing review of European VAT legislation. Following the Court of Justice decision² banning France and Luxembourg from applying a reduced VAT rate to the supply of electronic books, the Commission, instead of taking decisive steps to address the discriminatory VAT treatment of digital services, states that it is too early to speculate on the different options (letter by Commissioner Moscovici of 25 March 2015).

On 19 March 2015 the Ministers of Culture from Germany, France, Italy and Poland asked the EU to introduce the same reduced VAT rate for e-books as for printed books, insisting that the principle of technological neutrality be clearly stated at European level so that innovation and the development of digital books are not compromised³.

In order to respond to the challenges of the day by providing the urgently needed boost to the European economy and ensuring Europe's lead position in the digital economy, will the Commission take the long overdue and necessary steps to put forward, as soon as possible, proposals for VAT rates that reflect the new reality in the internet age?

Tabled: 20.4.2015

Forwarded: 22.4.2015

Deadline for reply: 29.4.2015

1

http://ec.europa.eu/taxation_customs/resources/documents/taxation/gen_info/good_governance_matters/digital/report_digital_economy.pdf

2 <http://curia.europa.eu/jcms/upload/docs/application/pdf/2015-03/cp150030en.pdf>

3 <http://the-digital-reader.com/2015/03/20/french-german-italian-and-polish-govt-call-for-reduced-taxes-on-ebooks/>