

WRITTEN QUESTION P-3454/03
by Philip Claeys (NI)
to the Council

Subject: VAT on renovation of dwellings

Until 31 December this year, VAT will be chargeable at a rate of 6% on the renovation of dwellings at least five years old in Belgium. Previously, dwellings had to be at least 15 years old before this rate was applicable to their renovation. It is not yet clear what the situation will be as from 2004. It seems that there is disagreement among the Member States concerning the Commission's proposal for a directive on the subject. As the old directive relating to certain labour-intensive services expires on 31 December and it is not yet clear what the new directive will stipulate, we shall enter a phase when the 6% rate can again be applied only to dwellings at least 15 years old. That would be extremely damaging to the building trade, as the 6% rate provided an incentive to renovate homes and made undeclared employment less attractive.

What is the present state of play with regard to labour-intensive services, including VAT on the renovation of dwellings?

Does the Council expect the issue to be resolved before the end of this year?