

**Question for written answer P-7604/2010
to the Commission
Rule 117
Kristian Vigenin (S&D)**

Subject: Raising of VAT on services in the tourism industry in Bulgaria

The economic and social crisis has put the Bulgarian tourism industry under great pressure. The competitiveness of tour operators is directly dependent on both the quality and the prices of the services they offer.

The Bulgarian Government is debating whether to apply a uniform rate of tax to individual tourists and package tour groups of up to 14%, compared with current rates of 7% for organised travel groups and 20% for individual tourists. That proposal means, de facto, an increase in that tax and a heightening of the pressure on Bulgarian tour operators and the tourism industry as a whole. By way of comparison, the rates applied to tourism services in neighbouring Greece and Turkey are 5% and 0% respectively.

To justify this measure, the Bulgarian Government cites a supposed letter from the Commission, received on 29 June 2010, in which the Commission warns of possible penalties against Bulgaria if a single rate of VAT is not introduced for tourism services, in line with the undertaking given to that effect during the pre-accession talks.

1. Has Bulgaria as a country entered into an undertaking to eliminate the difference between VAT rates for individual tourists and organised tour groups; if so, when and in what context was this?
2. Has the Commission sent a warning letter in which Bulgaria is threatened with penalties should it fail to honour that undertaking; if so, what penalties can be applied to Bulgaria?
3. The taxation policy of the Member States remains a national competence, even after the Lisbon Treaty. On what legal basis is the Commission intervening in Bulgaria's taxation policy?