

**Question for written answer P-000237/2016  
to the Commission**

Rule 130

**Molly Scott Cato (Verts/ALE), Keith Taylor (Verts/ALE) and Jean Lambert (Verts/ALE)**

Subject: Solar energy and VAT in the UK

On 9 December 2015 the UK's HM Revenue and Customs issued a consultation on removing the reduced VAT rate of 5 % for residential installations of solar panels (thermal and photovoltaic) from 1 August 2016. This follows a Court of Justice ruling that the UK's reduced rate is illegal under the terms of the VAT Directive.

This comes at a time when the UK's Department of Energy and Climate Change has dramatically reduced the Feed-in Tariff for domestic solar photovoltaic energy, so the suggestion that the VAT rate should be increased from 5 % to 20 % is a further blow to installers, adding GBP 900 to the cost of a typical domestic solar photovoltaic installation.

Does the Commission acknowledge that this will only increase the challenge the UK faces in achieving its share of the 2020 renewables targets and runs counter to the objective of encouraging the uptake of renewable energy measures?

Does the Commission agree that HM Revenue and Customs has broad discretion as to how to implement the Court of Justice ruling, and that there are strong arguments for solar photovoltaic and solar thermal being included in the list of technologies that retain the reduced rate of VAT?

Will the Commission consider the potential for amending EU VAT rules to guarantee a lower VAT rate for all renewables and energy efficiency products, thus enabling more households to benefit from renewables installations such as solar photovoltaic and solar thermal, as a key aim of the forthcoming review of the VAT Directive?