

COUNCIL DIRECTIVE 1999/49/EC

of 25 May 1999

amending, with regard to the level of the standard rate, Directive 77/388/EEC on the common system of value added tax

THE COUNCIL OF THE EUROPEAN UNION,

at a later stage to decide on the levels of both the standard rate and reduced rate or rates,

Having regard to the Treaty establishing the European Community, and in particular Article 93 thereof,

Having regard to the proposal from the Commission ⁽¹⁾,

HAS ADOPTED THIS DIRECTIVE:

Having regard to the opinion of the European Parliament ⁽²⁾,

Article 1

Having regard to the opinion of the Economic and Social Committee ⁽³⁾,

Article 12(3)(a) of Directive 77/388/EEC shall be replaced by the following:

(1) Whereas Article 12(3)(a) of sixth Council Directive 77/388/EEC of 17 May 1977 on the harmonisation of the laws of the Member States relating to turnover taxes — Common system of value added tax: uniform basis of assessment ⁽⁴⁾, lays down that the Council shall decide on the level of the standard rate to be applied after 31 December 1998; whereas the standard rate of value added tax is fixed by each Member State as a percentage of the taxable amount and is the same for the supply of goods and for the supply of services; whereas from 1 January 1993 until 31 December 1998, this percentage may not be less than 15 %;

(a) The standard rate of value added tax shall be fixed by each Member State as a percentage of the taxable amount and shall be the same for the supply of goods and for the supply of services. From 1 January 1999 until 31 December 2000, this percentage may not be less than 15 %.

On a proposal from the Commission and after consulting the European Parliament and the Economic and Social Committee, the Council shall decide unanimously on the level of the standard rate to be applied after 31 December 2000.

(2) Whereas experience has shown that the standard rate of value added tax currently in force in the various Member States, combined with the mechanism of the transitional system, have ensured that this transitional system has functioned satisfactorily; whereas it seems therefore appropriate, with regard to the standard rate, to maintain the current level of the minimum rate for a further period of time;

Member States may also apply either one or two reduced rates. These rates shall be fixed as a percentage of the taxable amount, which may not be less than 5 %, and shall apply only to supplies of the categories of goods and services specified in Annex H.'

(3) Whereas, however, the Commission report on rates highlighted the fact that distortions of competition exist and are likely to be accentuated by the introduction of the single currency; whereas the period of application of the standard rate should be limited to two years in order to enable the Council

Article 2

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 1 January 1999 at the latest. They shall forthwith inform the Commission thereof.

When Member States adopt these measures, they shall contain a reference to this Directive or shall be accompanied by such reference at the time of their official publication. The methods of making such a reference shall be laid down by the Member States.

2. Member States shall communicate to the Commission the text of the provisions of domestic law which they adopt in the field covered by this Directive.

⁽¹⁾ OJ C 409, 30.12.1998, p. 13.

⁽²⁾ Opinion of 23 March 1999 (not yet published in the Official Journal).

⁽³⁾ OJ C 101, 12.4.1999, p. 73.

⁽⁴⁾ OJ L 145, 13.6.1977, p. 1. Directive as last amended by Directive 98/80/EC (OJ L 281, 17.10.1998, p. 31).

Article 3

This Directive shall enter into force on the day of its publication in the *Official Journal of the European Communities*.

It shall apply from 1 January 1999.

Article 4

This Directive is addressed to the Member States.

Done at Brussels, 25 May 1999.

For the Council

The President

H. EICHEL
