

COUNCIL DIRECTIVE 2004/15/EC
of 10 February 2004
amending Directive 77/388/EEC to extend the facility allowing Member States to apply reduced rates of VAT to certain labour-intensive services

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ⁽¹⁾,

Having regard to the opinion of the European Economic and Social Committee ⁽²⁾,

Whereas:

- (1) Article 28(6) of 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 ⁽³⁾, allows the reduced rates provided for in the third subparagraph of Article 12(3)(a) also to be applied to the labour-intensive services listed in the categories set out in Annex K to that Directive for a maximum period of four years from 1 January 2000 to 31 December 2003.
- (2) Council Decision 2000/185/EC of 28 February 2000 authorising Member States to apply a reduced rate of VAT to certain labour-intensive services in accordance with the procedure provided for in Article 28(6) of Directive 77/388/EEC ⁽⁴⁾, authorised certain Member States to apply a reduced rate of VAT to those labour-intensive services for which they had submitted an application up to 31 December 2003.
- (3) On the basis of the assessment reports submitted by the Member States that have applied the reduced rate, the Commission submitted its global evaluation report on 2 June 2003.
- (4) In line with its strategy to improve the operation of the VAT system within the context of the internal market, the Commission adopted a proposal for a general review of the reduced rates of VAT to simplify and rationalise them.

- (5) Since the Council has not reached an agreement on the content of the proposal, it should be given the necessary time to do so, in order to avoid legal uncertainty from 1 January 2004 the maximum period of application set for this measure in Directive 77/388/EEC should therefore be extended.
- (6) In order to ensure the continuous application of Article 28(6) of Directive 77/388/EEC, provision should be made for this Directive to apply retroactively.
- (7) Implementation of this Directive in no way implies change in the legislative provisions of Member States.
- (8) Decision 77/388/EEC should be amended accordingly,

HAS ADOPTED THIS DIRECTIVE:

Article 1

In the first subparagraph of Article 28(6) of Directive 77/388/EEC the words 'four years between 1 January 2000 and 31 December 2003' shall be replaced by the words 'six years between 1 January 2000 and 31 December 2005'.

Article 2

This Directive shall enter into force on the day of its adoption.
It shall apply from 1 January 2004.

Article 3

This Directive is addressed to the Member States.

Done at Brussels, 10 February 2004.

For the Council
The President
 C. McCREEVY

⁽¹⁾ Opinion delivered on 15 January 2004 (not yet published in the Official Journal).

⁽²⁾ Opinion delivered on 28 January 2004 (not yet published in the Official Journal).

⁽³⁾ OJ L 145, 13.6.1977, p. 1. Directive as last amended by Directive 2004/7/EC (OJ L 27, 30.1.2004, p. 44).

⁽⁴⁾ OJ L 59, 4.3.2000, p. 10. Decision as amended by Decision 2002/954/EC (OJ L 331, 7.12.2002, p. 28).