

Council Directive 2006/112/EC of 28 November  
2006 on the common system of value added tax

TITLE VIII

**RATES**

CHAPTER 2

**Structure and level of rates**

Section 1

**Standard rate**

*Article 96*

Member States shall apply a standard rate of VAT, which shall be fixed by each Member State as a percentage of the taxable amount and which shall be the same for the supply of goods and for the supply of services.

*[<sup>F1</sup>Article 97*

The standard rate shall not be lower than 15 %.]

**Textual Amendments**

- F1** Substituted by [Council Directive \(EU\) 2018/912 of 22 June 2018 amending Directive 2006/112/EC on the common system of value added tax as regards the obligation to respect a minimum standard rate.](#)

Section 2

**Reduced rates**

*Article 98*

- 1 Member States may apply either one or two reduced rates.
- 2 The reduced rates shall apply only to supplies of goods or services in the categories set out in Annex III.

*[<sup>F2</sup>The reduced rates shall not apply to electronically supplied services with the exception of those falling under point (6) of Annex III.]*

- 3 When applying the reduced rates provided for in paragraph 1 to categories of goods, Member States may use the Combined Nomenclature to establish the precise coverage of the category concerned.

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**Textual Amendments**

- F2** Substituted by [Council Directive \(EU\) 2018/1713 of 6 November 2018 amending Directive 2006/112/EC as regards rates of value added tax applied to books, newspapers and periodicals.](#)

*Article 99*

1 The reduced rates shall be fixed as a percentage of the taxable amount, which may not be less than 5 %.

2 Each reduced rate shall be so fixed that the amount of VAT resulting from its application is such that the VAT deductible under Articles 167 to 171 and Articles 173 to 177 can normally be deducted in full.

[<sup>F3</sup> By way of derogation from paragraphs 1 and 2 of this Article, and in addition to the rates referred to in paragraph 1 of Article 98, Member States which, on 1 January 2017, applied, in accordance with Union law, reduced rates lower than the minimum laid down in this Article or granted exemptions with deductibility of the VAT paid at the preceding stage to the supply of certain goods referred to in point (6) of Annex III, may also apply the same VAT treatment where that supply is supplied electronically, as referred to in point (6) of Annex III.]

**Textual Amendments**

- F3** Inserted by [Council Directive \(EU\) 2018/1713 of 6 November 2018 amending Directive 2006/112/EC as regards rates of value added tax applied to books, newspapers and periodicals.](#)

*Article 100*

On the basis of a report from the Commission, the Council shall, starting in 1994, review the scope of the reduced rates every two years.

The Council may, in accordance with Article 93 of the Treaty, decide to alter the list of goods and services set out in Annex III.

*Article 101*

By 30 June 2007 at the latest the Commission shall present to the European Parliament and the Council an overall assessment report on the impact of reduced rates applying to locally supplied services, including restaurant services, notably in terms of job creation, economic growth and the proper functioning of the internal market, based on a study carried out by an independent economic think-tank.

Section 3

**Particular provisions**

[<sup>F4</sup>Article 102

After consultation of the VAT Committee, each Member State may apply a reduced rate to the supply of natural gas, electricity or district heating.]

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**Textual Amendments**

- F4** Substituted by [Council Directive 2009/162/EU of 22 December 2009 amending various provisions of Directive 2006/112/EC on the common system of value added tax.](#)

*Article 103*

1 Member States may provide that the reduced rate, or one of the reduced rates, which they apply in accordance with Articles 98 and 99 is also to apply to the importation of works of art, collectors' items and antiques, as defined in points (2), (3) and (4) of Article 311(1).

2 If Member States avail themselves of the option under paragraph 1, they may also apply the reduced rate to the following transactions:

- a the supply of works of art, by their creator or his successors in title;
- b the supply of works of art, on an occasional basis, by a taxable person other than a taxable dealer, where the works of art have been imported by the taxable person himself, or where they have been supplied to him by their creator or his successors in title, or where they have entitled him to full deduction of VAT.

*Article 104*

Austria may, in the communes of Jungholz and Mittelberg (Kleines Walsertal), apply a second standard rate which is lower than the corresponding rate applied in the rest of Austria but not less than 15 %.

*[<sup>F5</sup>Article 104a*

Cyprus may apply one of the two reduced rates provided for in Article 98 to the supply of liquid petroleum gas (LPG) in cylinders.]

**Textual Amendments**

- F5** Inserted by [Council Directive 2009/47/EC of 5 May 2009 amending Directive 2006/112/EC as regards reduced rates of value added tax.](#)

*[<sup>F6</sup>Article 105*

1 Portugal may apply one of the two reduced rates provided for in Article 98 to the tolls on bridges in the Lisbon area.

2 Portugal may, in the case of transactions carried out in the autonomous regions of the Azores and Madeira and of direct importation into those regions, apply rates lower than those applying on the mainland.]

**Textual Amendments**

- F6** Substituted by [Council Directive 2009/47/EC of 5 May 2009 amending Directive 2006/112/EC as regards reduced rates of value added tax.](#)