Press release | 07.04.2016

VAT/sales tax

EU Commission proposing to continue patchwork framework

The European Commission today presented proposals to reform the rules governing value added tax in the EU. Commenting on the proposals, UK Green MEP and tax policy spokesperson **Molly Scott Cato** said:

"Reform of the EU's complicated VAT system is overdue and we welcome that the Commission is willing to grasp this nettle but there are already signs from EU governments that they will oppose these proposals. Tackling the multi-million Euro tax fraud, which affects the EU each year, should justifiably be a top priority, but there are already steps that could be taken to achieve this, rather than through a drawn-out legislative process. Addressing lack of cooperation between national tax administrations should be a top priority.

"Addressing the issue of the rates is vital and modernisation is crucial. Unfortunately, it seems the Commission is taking the path of least resistance and proposing a patchwork VAT framework, with exemptions for different member states. This could exacerbate fragmentation and create renewed opportunities for VAT fraud. It would also undermine the essence of the internal market by allowing for varying tax rates on the same products and unhealthy competition: the logic of the internal market implies that indirect taxes are levied at the same rate everywhere.

"Clearly, there are products and services that should benefit from reduced VAT rates, where there is clear justification that this is in the public interest. We strongly support the End Tampon Tax campaign and want all women in Europe to benefit from zero-rates on these products."

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Responsible MEPs



Molly Scott Cato

Vice-President

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