

EUROPEAN PARLIAMENT

Working Documents

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MOTION FOR A RESOLUTION

tabled by Mr PISONI, Mr LIGIOS, Mr FIORET, Mr LIOGIER, Mr VITALE,
Mr ALBERTINI, Mr GUERLIN and Mr PUCCI

pursuant to Rule 25 of the Rules of Procedure

on ~~taxes~~ applicable to wine and alcoholic beverages

The European Parliament,

- having regard to the debate on taxes applicable to wine in the Community during the January 1977 part-session,
 - having regard to the Communication from the Commission of the European Communities to the Council of 27 July 1977 on problems posed by excise harmonization¹, in which the Council is requested immediately to re-commence discussions on the proposals submitted in 1972 to harmonize the excises on alcohol and beer, with a view to their adoption by 1 May 1978,
 - having regard to the Commission's recommendation of 5 December 1975 to the Member States concerning the taxation of wine, asking them to reduce appreciably the rate of excise duties levied by them and to forego any increase in the rate of these duties²,
 - considering that some products imported into certain Member States are discriminated against in favour of domestic products through increasingly frequent recourse to practices such as the fixing of sales taxes and VAT at much higher rates on wine than on beer, the classification of similar or substitutable products (for example grain spirits and spirits distilled from wine) in different excise and VAT categories, the granting of periods of tax deferment for domestic but not for foreign products, the banning of all advertising for certain imported alcoholic beverages, discrimination between sweet and flavoured wines, etc.,
 - considering that one of the effects of these measures is to restrict to a negligible level the per capita consumption of wine in those countries where excessive taxation makes this product a luxury few people can afford,
 - considering, therefore, that the differences between the systems currently applied lead to serious distortions of competition between the Member States and to veritable trade wars, retaliatory measures and interventions by the Court of Justice,
1. Regrets that the Commission does not intend to amend its 1972 proposal concerning the harmonization of excise duties on wine although it recognizes the practical impossibility of its being

¹COM(77) 338 final

²OJ No. L 2, 7.1.1977, p. 13

adopted as it stands by the Council, so much so that it simply dropped from the abovementioned communication its request to the Council to recommence discussion of the subject;

2. Considers that the two other proposals for the harmonization of excise duties on beer and alcohol are also unlikely to be adopted and therefore invites the Commission to amend them along the lines advocated below;
3. Asserts that the problem of the taxation of all alcoholic beverages requires an overall approach which takes account of all aspects (sales tax, VAT rates, structure and coverage, methods of excise assessment, etc.), if solutions are to be found that enable unacceptable distinctions between the various types of beverage to be avoided;
4. Feels, therefore, that the Commission should put forward a proposal for a directive on alcoholic beverages based on the following principles:
 - a) the pairing of beverages considered to be in competition - for example, table wine of an alcoholic strength of not more than 13° and all types of beer and fruit-based fermented beverages; sweet and flavoured wines; grain spirits and spirit distilled from wine, etc.;
 - b) harmonization at Community level of the VAT rate for each pair of competing beverages or the fixing, within a given country, of a single rate for all types of alcoholic beverages;
 - c) in the case of sales taxes (excises), the establishment of a reasonable bracket of 0 to X units of account for the difference in tax per litre of competing beverages, Member States being allowed to choose, within this bracket, level of taxation to be applied to each product; thus any given Member State would be free to apply an excise rate of X% to wine and a zero rating to beer or vice-versa, according to its particular requirements;
 - d) abolition of any other form of distinction between competing drinks as regards facilities, advertising, etc.;
 - e) standardization of the technical arrangements for applying each excise;
5. Considers that this overall solution will allow the Member States to retain some freedom of action, thus enabling them to meet their own particular needs, while at the same time preventing serious distortions of competition;
6. Stresses that a Community approach is needed in this sector in view of

its major importance for employment in the regions producing wine and other alcoholic beverages;

7. Invites the Member States to demonstrate Community solidarity and a spirit of mutual understanding so that a compromise which will be in the interests of each may be reached;
8. Instructs its President to forward this resolution to the Council and Commission of the European Communities.

