II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 7 November 2006

authorising certain 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

(2006/774/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to 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 [1], (hereinafter referred to as 'the Directive'), and in particular Article 28(6) thereof,

Having regard to the proposal from the Commission,

Whereas:

(1) The Council, acting unanimously on a proposal from the Commission, may authorise any Member State that has submitted an application in accordance with the procedure and conditions provided for by Directive 77/388/EEC to apply a reduced rate of VAT to certain labour-intensive services.

(2) The services concerned must meet the conditions provided for in the Directive and be included in Annex K thereto.

(3) Under 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 [2], Belgium, Spain, France, Italy, Luxembourg, the Netherlands, Portugal and the United Kingdom (for the Isle of Man only) could apply, until 31 December 2005, a reduced rate of VAT to the labour-intensive services for which they had submitted a request to this effect.

(4) Council Directive 2006/18/EC [3] amends the Directive with regard to reduced rates of value added tax, in order, on the one hand, to extend their application until 31 December 2010, and on the other hand, to allow those Member States that so wish, to avail themselves for the first time of the possibility provided for therein, and permit those Member States that wish to amend the list of services to which they have applied the measures provided for by the Directive in the past, to submit an application for a reduction of the rates to the Commission.

(5) In order to allow those Member States authorised by Decision 2000/185/EC to apply a reduced rate to continue to do so until 31 December 2010, and in the interests of legal clarity, the provisions of that Decision should be included in this Decision for those Member States that have not amended their initial application.

(6) In accordance with the Directive, Greece, which was already authorised by Decision 2000/185/EC to apply a reduced rate for two of the categories listed in Annex K, has submitted a new application extending the scope of its previous authorisation. Greece should therefore be awarded a new authorisation permitting the application of a reduced rate, in accordance with its new application.

[1] OJ L 145, 13.6.1977, p. 1. Directive as last amended by Directive 2006/69/EC (OJ L 221, 12.8.2006, p. 9).

[2] OJ L 59, 4.3.2000, p. 10. Decision as last amended by Decision 2004/161/EC (OJ L 52, 21.2.2004, p. 62).

[3] OJ L 51, 22.2.2006, p. 12.

(7) The Czech Republic, Cyprus, Latvia, Hungary, Malta, Poland, Slovenia and Finland have submitted applications to apply a reduced rate of VAT to certain labour-intensive services in accordance with the procedure and conditions provided for in the Directive.

(8) Furthermore, the Czech Republic, Hungary, Poland and Greece have submitted applications for authorisation to apply, as an exceptional measure, a reduced rate to three categories of the services listed in Annex K. For each of these four Member States, the reduction in rate in the third of the categories selected can have only an insignificant economic impact.

(9) In order that the Member States concerned may continue to apply reduced rates to certain labour-intensive services, as provided for in Decision 2000/185/EC, this Decision should apply from 1 January 2006.

(10) This Decision will have no impact on the Communities' own resources derived from VAT,

HAS ADOPTED THIS DECISION:

Article 1

In accordance with the first subparagraph of Article 28(6) of Directive 77/388/EEC, Belgium is authorised to apply a reduced rate during the period 1 January 2006 to 31 December 2010 to the following two services referred to in points 1 and 2 of Annex K to that Directive:

(a) Small services of repairing:

— bicycles,

— shoes and leather goods,

— clothing and household linen (including mending and alteration);

(b) renovation and repairing of private dwellings more than five years old, excluding materials which form a significant part of the value of the supply.

Article 2

In accordance with the first and fourth subparagraphs of Article 28(6) of Directive 77/388/EEC, the Czech Republic is authorised to apply a reduced rate during the period 1 January 2006 to 31 December 2010 to the following three services referred to in points 2, 3 and 4 of Annex K to that Directive:

(a) renovation and repairing of private dwellings, excluding materials which form a significant part of the value of the supply;

(b) window cleaning and cleaning in private households;

(c) domestic care services, (e.g. home help and care of the young, elderly, sick or disabled).

Article 3

In accordance with the first and fourth subparagraphs of Article 28(6) of Directive 77/388/EEC, Greece is authorised to apply a reduced rate during the period 1 January 2006 to 31 December 2010 to the following three services referred to in points 1, 2 and 4 of Annex K to that Directive:

(a) small services of repairing:

— bicycles,

— shoes and leather goods,

— clothing and household linen (including mending and alteration);

(b) renovation and repairing of old private dwellings (not constructed recently), excluding materials which form a significant part of the value of the supply;

(c) domestic care services, (e.g. home help and care of the young, elderly, sick or disabled).

Article 4

In accordance with the first subparagraph of Article 28(6) of Directive 77/388/EEC, Spain is authorised to apply a reduced rate during the period 1 January 2006 to 31 December 2010 to the following two services referred to in points 2 and 5 of Annex K to that Directive:

(a) bricklaying for the repair of private dwellings, excluding materials which form a significant part of the value of the supply;

(b) hairdressing.

Article 5

In accordance with the first subparagraph of Article 28(6) of Directive 77/388/EEC, France is authorised to apply a reduced rate during the period 1 January 2006 to 31 December 2010 to the following three services referred to in points 2, 3 and 4 of Annex K to that Directive:

(a) renovation and repairing of private dwellings completed more than two years ago, excluding materials which form a significant part of the value of the supply;

(b) domestic care services (e.g. home help and care of the young, elderly, sick or disabled);

(c) window cleaning and cleaning in private households.

Article 6

In accordance with the first subparagraph of Article 28(6) of Directive 77/388/EEC, Italy is authorised to apply a reduced rate during the period 1 January 2006 to 31 December 2010 to the following two services referred to in points 2 and 4 of Annex K to that Directive:

(a) renovation and repairing of private dwellings, excluding materials which form a significant part of the value of the supply;

(b) domestic care services (e.g. home help and care of the young, elderly, sick or disabled).

Article 7

In accordance with the first and fourth subparagraphs of Article 28(6) of Directive 77/388/EEC, Cyprus is authorised to apply a reduced rate during the period 1 January 2006 to 31 December 2010 to the following two services referred to in points 2 and 5 of Annex K to that Directive:

(a) renovation and repairing of private dwellings, excluding materials which form a significant part of the value of the supply;

(b) hairdressing.

Article 8

In accordance with the first and fourth subparagraphs of Article 28(6) of Directive 77/388/EEC, Latvia is authorised to apply a reduced rate during the period 1 January 2006 to 31 December 2010 to the following two services referred to in points 2 and 5 of Annex K to that Directive:

(a) renovation and repairing of private dwellings, excluding materials which form a significant part of the value of the supply;

(b) hairdressing.

Article 9

In accordance with the first subparagraph of Article 28(6) of Directive 77/388/EEC, Luxembourg is authorised to apply a reduced rate during the period 1 January 2006 to 31 December 2010 to the following three services referred to in points 1, 3 and 5 of Annex K to that Directive:

(a) small services of repairing:

— bicycles,

— shoes and leather goods,

— clothing and household linen (including mending and alteration);

(b) hairdressing;

(c) window cleaning and cleaning in private households.

Article 10

In accordance with the first and fourth subparagraphs of Article 28(6) of Directive 77/388/EEC, Hungary is authorised to apply a reduced rate during the period 1 January 2006 to 31 December 2010 to the following three services referred to in points 1, 2 and 4 of Annex K to that Directive:

(a) small services of repairing:

— bicycles,

— shoes and leather goods,

— clothing and household linen (including mending and alteration);

(b) renovation and repairing of private dwellings, excluding materials which form a significant part of the value of the supply;

(c) domestic care services (e.g. home help and care of the young, elderly, sick or disabled).

Article 11

In accordance with the first and fourth subparagraphs of Article 28(6) of Directive 77/388/EEC, Malta is authorised to apply a reduced rate during the period 1 January 2006 to 31 December 2010 to the following two services referred to in points 1 and 4 of Annex K to that Directive:

(a) small services of repairing:

— bicycles,

— shoes and leather goods,

— clothing and household linen (including mending and alteration);

(b) domestic care services (e.g. home help and care of the young, elderly, sick or disabled).

Article 12

In accordance with the first subparagraph of Article 28(6) of Directive 77/388/EEC, the Netherlands is authorised to apply a reduced rate during the period 1 January 2006 to 31 December 2010 to the following three services referred to in points 1, 2 and 5 of Annex K to that Directive:

(a) small services of repairing:

— bicycles,

— shoes and leather goods,

— clothing and household linen (including mending and alteration);

(b) hairdressing;

(c) painting and plastering services for the renovation and repairing of private dwellings more than 15 years old, excluding materials which form a significant part of the value of the supply.

Article 13

In accordance with the first and fourth subparagraphs of Article 28(6) of Directive 77/388/EEC, Poland is authorised to apply a reduced rate during the period 1 January 2006 to 31 December 2010 to the following three services referred to in points 1, 2 and 5 of Annex K to that Directive:

(a) small services of repairing:

— bicycles,

— shoes and leather goods,

— clothing and household linen (including mending and alteration);

(b) renovation and repairing of private dwellings, excluding materials which form a significant part of the value of the supply;

(c) hairdressing.

Article 14

In accordance with the first subparagraph of Article 28(6) of Directive 77/388/EEC, Portugal is authorised to apply a reduced rate during the period 1 January 2006 to 31 December 2010 to the following two services referred to in points 2 and 4 of Annex K to that Directive:

(a) renovation and repairing of private dwellings, excluding materials which form a significant part of the value of the supply;

(b) domestic care services (e.g. home help and care of the young, elderly, sick or disabled).

Article 15

In accordance with the first and fourth subparagraphs of Article 28(6) of Directive 77/388/EEC, Slovenia is authorised to apply a reduced rate during the period 1 January 2006 to 31 December 2010 for renovation and repairing of private dwellings, excluding materials which form a significant part of the value of the supply, referred to in point 2 of Annex K to that Directive.

Article 16

In accordance with the first and fourth subparagraphs of Article 28(6) of Directive 77/388/EEC, Finland is authorised to apply a reduced rate during the period 1 January 2006 to 31 December 2010 to the following two services referred to in points 1 and 5 of Annex K to that Directive:

(a) small services of repairing:

— bicycles,

— shoes and leather goods,

— clothing and household linen (including mending and alteration);

(b) hairdressing.

Article 17

In accordance with the first subparagraph of Article 28(6) of Directive 77/388/EEC, the United Kingdom is authorised to apply a reduced rate during the period 1 January 2006 to 31 December 2010 for renovation and repairing of private dwellings, excluding materials which form a significant part of the value of the supply referred to in point 2 of Annex K to that Directive, but for the Isle of Man only.

Article 18

This Decision shall apply from 1 January 2006 until 31 December 2010.

Article 19

This Decision is addressed to the Kingdom of Belgium, the Czech Republic, the Hellenic Republic, the Kingdom of Spain, the French Republic, the Italian Republic, the Republic of Cyprus, the Republic of Latvia, the Grand Duchy of Luxembourg, the Republic of Hungary, the Republic of Malta, the Kingdom of the Netherlands, the Republic of Poland, the Portuguese Republic, the Republic of Slovenia, the Republic of Finland and the United Kingdom of Great Britain and Northern Ireland.

Done at Brussels, 7 November 2006.

For the Council

The President

E. HEINÄLUOMA