

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(81) 367 final

Brussels, 10 July 1981

Proposal for a

COUNCIL DECISION

authorizing the Italian Republic to derogate from the value added
tax arrangements applicable to aid to earthquake victims in Southern
Italy

(submitted to the Council by the Commission)

COM(81) 367 final

EXPLANATORY MEMORANDUM

As part of the urgent action taken to help the victims of the earthquakes in November 1980, the Italian Government has decided to exempt, with refund of the tax paid at the preceding stage, the supplies of goods and services listed in Decree Laws n° 799/80 of 5 December 1980, as amended by Law n° 875 of 22 December 1980, and n° 11/81 of 31 January 1981. This exemption is to remain in force until 31 December 1981.

As the measures taken conflict with the provisions of the Sixth Council Directive (77/388/EEC) of 17 May 1977, the Italian authorities have requested, by telex dated 7 January 1981 from the Italian Permanent Representation to the Commission, a temporary derogation from this Directive.

With regard to the determination of the Community's own resources in respect of transactions benefitting temporarily from an exemption with refund of the tax paid at the preceding stage, the Italian authorities envisage a solution whereby taxable persons who, during 1981, supply the goods or services provided for in the abovementioned Decree Laws would be required, by 31 January 1981 at the latest, to submit a special return listing the transactions in question and enabling their overall value to be determined.

In view of the special situation which has led the Italian Government to request this derogation and the Italian authorities' undertaking to take the measures necessary to enable the Community's own resources in respect of the exempted transactions to be determined, the Commission proposes that the Council authorize the Italian Republic to derogate temporarily from the provisions of the Sixth VAT Directive subject to the conditions laid down by the above Decree Laws.

PROPOSAL FOR A COUNCIL DECISION

authorizing the Italian Republic to derogate from the value added tax arrangements applicable to aid to earthquake victims in Southern Italy

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 99 and 100 thereof,

Having regard to the proposal from the Commission,

Whereas the Italian Government has requested a temporary derogation from the Sixth Council Directive 77/388/EEC of 17 May 1977 on the harmonization of the laws of the Member States relating to turnover taxes - Common system of value added tax : uniform basis of assessment (1) ;

Whereas this temporary derogation relates to the non-application of VAT, up to 31 December 1981, to goods and services supplied by way of emergency relief to the victims of the earthquake of November 1980 ;

Whereas the special social situation has led the Italian Government to request this temporary derogation ;

Whereas the non-application of VAT is limited to those transactions listed in Decree Laws No 799/80 and No 11/81 of the Italian Government ;

Whereas Italy must take such administrative measures as are necessary to record the transactions concerned in order that the Community's own resources in respect of those transactions can be determined,

HAS ADOPTED THIS DECISION :

(1) OJ No L 145, 13.4.1977, p. 1.

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Article 1

By way of derogation from Directive 77/388/EEC, the Italian Republic is hereby authorized, until 31 December 1981, to exempt, with refund of the tax paid at the preceding stage, the transactions referred to in Article 5 of Decree Law No 799 of 5 December 1980, as amended by Law No 875 of 22 December 1980, and in Article 2 of Decree Law No 11 of 31 January 1981; these transactions, together with the arrangements for exempting them, are listed in the Annex hereto.

Article 2

The Italian Republic shall adopt such provisions as are necessary to ensure that taxable persons furnish the information required for determining the Community's own resources in respect of the transactions referred to in Article 1 and shall ensure that the text of those provisions is transmitted to the Commission.

Article 3

This Decision is addressed to the Italian Republic.

Done at Brussels

Exempt transactions and exemption arrangements communicated by
the Italian Government

Without prejudice to requirements in connection with invoicing and registration, exemption with refund of the tax paid at the preceding stage shall apply to the following transactions :

- a) the supply of prefabricated buildings, whether or not intended for residential purposes, including their assembly if necessary, in the Basilicata and Campania regions, and the supply of goods and services, whether or not under contract, for the provision of related infrastructures. The taxable person shall, at the request of the inspectorate of the financial administration, supply proof, in the form of a local authority certificate, that the said buildings have, in fact, been erected ;
- b) the supply of motor caravans and mobile homes intended for use, whether or not for a business activity, in the regions mentioned in subparagraph (a). The taxable person shall, at the request of the inspectorate of the financial administration, supply proof, in the form of a local authority certificate, of the use to which the caravans were put ;
- c) the supply of goods and services, whether or not under contract, for rebuilding or repairing buildings, including those not intended for residential purposes, and structures destroyed or damaged by the earthquake in the regions mentioned in subparagraph (a). The destruction or damage must be duly attested by the local authority in whose area the buildings or structures are situated, or by the civil engineering department or the technical department of the tax office responsible for the area ;
- d) the supply of goods and services to farms to renew and store livestock and deadstock destroyed or damaged by the earthquake in the regions mentioned in subparagraph (a). The destruction or damage must be duly attested by the local authority in whose area the farm is situated, and by the appropriate regional body ;

- e) supplies by firms engaged in the construction of buildings or parts of buildings, whether or not intended for residential purposes, situated in the regions mentioned in subparagraph (a), and the supply of services under contract connected with the construction of those buildings ;
- f) the supply of goods and services, including professional services, associated with the repair, construction or reconstruction of public facilities and amenities, and with demolition work and the removal of debris ;
- g) the supply of electric space heating apparatus (ex CCT 85.12), of boilers and radiators of iron or steel fuelled by wood, coal, or petroleum gases (ex CCT 73.37), and of stoves, ranges, cookers and grates of iron or steel (ex CCT 73.36) for use in the regions mentioned in subparagraph (a) by earthquake victims ;
- h) supplies of services relating to the transportation of goods referred to in the preceding subparagraph and effected on behalf of the Commissioner appointed pursuant to Article 5 of the Law No 996 of 8 December 1970 ;
- i) the importation of goods described in subparagraphs (a), (b), (c), (d), (f) and (g) on behalf of the Commissioner appointed pursuant to Article 5 of Law No 996 of 8 December 1970 and on behalf of public bodies for supply free of charge to victims of the earthquake.

The exemptions referred to in subparagraphs (a), (b), (c), (d), (e), (f) and (g) shall apply to the supply of goods and services : to earthquake victims, duly recognized as such by the appropriate local authority ; to the Commissioner appointed pursuant to Article 5 of Law No. 996 of 8 December 1970 ; to public bodies, political, trade union, professional, religious, philanthropic, cultural and sporting organizations and to the press, provided that the goods and services in question are distributed free of charge to the earthquake victims as attested by a certificate issued by the local authority.