

EU's new VAT rules likely to make e-books cheaper

Art/Bks/Film

Posted by:

Posted on : 2016/12/1 20:36:16

Under the current EU rules, member states are not allowed to apply reduced VAT rates to e-books and digital newspapers. The commission proposes to change that (Photo Michael Mol)

By PETER TEFFER for EU Observer, Dec 1, 2016 BRUSSELS - The European Commission is proposing to let member states reduce the rates of value added tax (VAT) on digital books and newspapers. Under the current EU rules, member states are only allowed to apply reduced VAT rates to physical books and newspapers. Luxembourg and France had introduced reduced rates for e-books, but were scolded by the EU's Court of Justice last year. The court ruled that under the current EU rules it was illegal for them to have done so. The ruling was "a message for us to intervene", said European commissioner for digital single market, Andrus Ansip, who informed journalists about the new plans last Friday (25 November). He spoke on the condition that stories would not be published before the official announcement on Thursday (1 December). If the proposal is adopted, member states would be allowed to have reduced rates for e-books and digital newspapers, if they wanted to. "We would not push Denmark to introduce reduced rates if they don't want to use those rates," said Ansip. Only Denmark and Bulgaria do not have reduced VAT rates for physical books. The measure is part of a broader VAT reform. [...]
<https://euobserver.com/digital/136111>