

COMMISSION DECISION

of 30 April 2007

concerning a request from the Republic of Italy to apply a reduced rate of VAT to the supply of electricity for the operation of facilities used for the irrigation, lifting and drainage of waters

*(notified under document number C(2007) 1823)***(Only the Italian text is authentic)**

(2007/313/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax ⁽¹⁾, and in particular Article 102 thereof,

Whereas:

(1) By initial letter registered at the Commission on 3 October 2006, followed by a complementary letter registered at the Commission on 22 January 2007, Italy informed the Commission of its intention to apply a reduced rate of VAT to the supply of electricity for the operation of facilities used for the irrigation, lifting and the drainage of waters by irrigation consortia.

(2) Italy wishes to apply a reduced rate (10 %) to the supplies of electricity intended for the operation of facilities used for the irrigation, lifting and the drainage of waters by irrigation consortia which are considered as public law entities in charge, in accordance with national law, of the maintenance and other auxiliary work related to the drainage of waters. Moreover, it appears that no other similar actual or potential entities carry out similar activities in Italy.

(3) According to Article 39 of Directive 2006/112/EC, the supply of electricity at the final stage, from traders and distributors to final consumers, is taxed at the place where the customer effectively uses and consumes the goods. This ensures that the supply is taxed in the country where actual consumption takes place.

(4) The planned measure applying a reduced rate of VAT to the supply of electricity intended for the operation of facilities used for the irrigation, lifting and the drainage of waters is not likely to cause any distortion of competition when available to any consortium or entity operating such facilities under the same conditions.

(5) As the measure is of a general nature (since it covers all supplies intended for the operation of facilities used for the irrigation, lifting and the drainage of waters), does not provide for any exception and does not apply as a rule to any other supplies for commercial, professional or other economic activities, there is no risk of distortion of competition. Therefore, the condition laid down in Article 102 of Directive 2006/112/EC is fulfilled and Italy should be authorised to apply the measure concerned,

HAS ADOPTED THIS DECISION:

Article 1

Italy is hereby authorised to apply a reduced rate of VAT to the supply of electricity for the operation of facilities used for the irrigation, lifting and drainage of waters.

Article 2

This Decision is addressed to the Republic of Italy.

Done at Brussels, 30 April 2007.

For the Commission

László KOVÁCS

Member of the Commission

⁽¹⁾ OJ L 347, 11.12.2006, p. 1. Directive as amended by Directive 2006/138/EC (OJ L 384, 29.12.2006, p. 92).