



# FOOD TAXES - STATE OF PLAY

**EU Platform for Action on Diet, Physical Activity and Health  
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# Treaty on the functioning of the EU

*Member States may introduce and maintain non-harmonised internal taxes and freely establish their modalities.*

*Title VII, Ch. 2, TFEU*

*The Treaty prohibits internal discriminatory taxation, directly or indirectly, on products of other Member States, in excess of that imposed directly or indirectly on similar domestic products.*

*Art.110, TFEU*



# Treaty on the functioning of the EU

*Harmonisation of legislation concerning turnover taxes, excise duties and other forms of indirect taxation is limited to the extent that such harmonisation is necessary to ensure the establishment and the functioning of the internal market and to avoid distortion of competition.*

*Art. 113, TFEU*



# Excise duties and VAT legislation

*Member States are obliged to apply excise duty to three product categories: energy products and electricity, alcohol and alcoholic beverages and manufactured tobacco.*

*Member States may levy taxes on products other than excise goods, provided that levying or collecting such taxes does not give rise, in trade between Member States, to formalities connected with the crossing of frontiers.*

*Article 1(3) of Directive 2008/118/EC*



# Excise duties and VAT legislation

*Member States may apply, next to VAT, any other taxes to goods that cannot be characterized as turnover taxes.*

*Article 401 of Directive 2006/112/EC*



# Legislative provisions on customs duties and procedures

*European law prohibit customs duties on imports and exports and all charges having equivalent effect between Member States including customs duties of a fiscal nature.*

*Art. 28 and 30, TFEU*

# Food taxes

- *currently not subject to specific harmonised EU legislative provisions;*
- *MS are not obliged to notify them to the European Commission;*
- *The EC ensures national taxation is in line with the general provisions of EU law concerning the functioning of the internal market;*



# Food taxes

*The Commission services have not identified major problems or any need to introduce a specific legislation on EU level on taxation of foods beyond national initiatives.*



# Food taxes - Denmark

- *tax on saturated fat, in force since 1 October 2011;*
- *the rate is DKK 16 (€2.15) per kg saturated fat on domestic and imported food;*
- *applies to meat, cheese, butter, edible oils, margarine, spreadable products and other foods such as snack products;*
- *annual revenues are expected to be more than €200 million and lead to a reduction of 4% of saturated fat consumption;*

# Food taxes - Hungary

- *implemented a public health food tax on 1 September 2011;*
- *applies to packaged products with high sugar, salt or caffeine levels;*
- *includes energy drinks with added sugar and caffeine, soft drinks with added sugar, chocolate, biscuits, confectionery, salty snacks and dried soup and gravy mixes;*
- *does not include basic food stuffs;*



## Food taxes - France

- *soda tax in effect since 1 January 2012;*
- *the rate is €7.16 per hectolitre;*
- *applies to all beverages with added sugar or with artificial sweeteners;*
- *estimated tax income is €280 million of which 50% are earmarked to the social security system;*
- *target of 25% reduction of the proportion of children consuming more than half a glass of sugared beverages per day in five years;*

# Concerns and conclusions

- *complexity of monitoring the impact*
- *impact on cross-border trade*
- *quality of food products*
- *counterbalance taxation measures*
- *must be part of a global approach*