

**Question for written answer E-016020/2015
to the Commission**
Rule 130
Bronis Ropé (Verts/ALE)

Subject: Member State taxation similar in nature to excise duty

In 2014 Lithuania enacted new legislation (Forests Law No XII-761) imposing a new additional turnover tax on owners of private forests (5 % tax on the income from roundwood and stumpage sales, voiding deduction of production costs).

The introduction of this tax was officially reasoned by the need to accumulate funds for maintenance of communal forest roads. However, such roads are open to the public and are rarely owned by the forest owners. *De jure*, a considerable share of income gained from this tax is used for the management of State forests, thus raising concerns about compliance with the principles of fair competition.

Taking into consideration Court of Justice rulings that Article 33 of Directive 77/388/EEC prevents Member States from introducing or maintaining taxes, duties or charges in the nature of turnover taxes (e.g. Article 31 of the judgment of 29 April 2004 in Case C-308/01, GIL Insurance), I would like to ask the following:

How does the Commission assess the compliance of the imposed Lithuanian tax legislation with the principle of fundamental equality of all taxpayers in terms of non-discrimination against other businesses and its similarity to excise duty?

Does the Commission consider imposition of the abovementioned taxation to be in compliance with Article 33 of Directive 77/388/EEC and other *acquis communautaire*?

What is the practice in other Member States as regards taxation of private forest owners' turnover?