

ECJ Decides on Possibility of Considering Taxable Person for VAT Purposes Municipality Carrying Out Activities Related to Removal of Asbestos: *Gmina L.* (Case C-616/21) (VAT)

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Report from IBFD Knowledge Centre

On 30 March 2023, the Court of Justice of the European Union (ECJ) gave its decision in *Dyrektor Krajowej Informacji Skarbowej v Gmina L.* ([Case C-616/21](#)) based on a number of grounds.

"On those grounds, the Court (Seventh Chamber) hereby rules:

Article 2(1), Article 9(1) and Article 13(1) of Council Directive [2006/112/EC of 28 November 2006](#) on the common system of value added tax must be interpreted as meaning that where a municipality has arranged by means of an undertaking to carry out transactions involving asbestos removal and collection of asbestos products and waste, for the benefit of its residents who own immovable property and who have expressed interest in that regard, where such an activity is not intended to obtain income on a continuing basis and does not give rise, on the part of those residents, to any payment, since those transactions are financed by public funds, does not constitute a supply of services subject to value added tax."

For a previous TNS regarding the case, see [Poland-3, News 28 February 2022](#).

A more substantial report containing details of the ECJ's decision will be published in the ECJ Case Law collection in due course.