

Council Directive 2006/112/EC of 28 November
2006 on the common system of value added tax

TITLE X

DEDUCTIONS

CHAPTER 2

Proportional deduction

Article 175

1 The deductible proportion shall be determined on an annual basis, fixed as a percentage and rounded up to a figure not exceeding the next whole number.

2 The provisional proportion for a year shall be that calculated on the basis of the preceding year's transactions. In the absence of any such transactions to refer to, or where they were insignificant in amount, the deductible proportion shall be estimated provisionally, under the supervision of the tax authorities, by the taxable person on the basis of his own forecasts.

However, Member States may retain the rules in force at 1 January 1979 or, in the case of the Member States which acceded to the Community after that date, on the date of their accession.

3 Deductions made on the basis of such provisional proportions shall be adjusted when the final proportion is fixed during the following year.