

## Breaking Tax News

# The suspension of the application of the food chain fee and the special tax on tobacco sales

**In contrast to our monthly Tax News+, in our Breaking Tax news you will be informed immediately of regulatory changes affecting your business but without commentary by our experts.**

We would like to take this opportunity to inform our Clients about a recent decision made by the European Commission. The decision sets forth the suspension of the application of the food chain fee and the special tax on tobacco sales. Additionally, the European Commission has made a decision to implement the in-depth investigation of the affected taxes. Based on the Commission's reasoning the affected taxes may trigger the grant of prohibited state aids. This is based on the understanding that the application of steeply progressive tax rates may result in the provision of selective advantages to low revenue companies. As a result of the decision, the application of the given taxes remains prohibited until the investigation of the taxes is terminated and the Commission makes a decision about whether the application of the given taxes qualifies as a provision of prohibited state aids.

The respective communication regarding the Commission's decisions are available on the European Union's website: [http://europa.eu/rapid/press-release\\_IP-15-5375\\_en.htm](http://europa.eu/rapid/press-release_IP-15-5375_en.htm)

**Should you have any remarks or questions regarding the above, please contact our professionals:**

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