

Question for written answer E-003952/2026
to the Commission
Rule 144
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Subject: VAT and CO₂-related costs in Cypriot electricity bills

High electricity bills continue to burden households in Cyprus. The Electricity Authority of Cyprus (EAC) states that its fuel-adjustment charge includes the cost of greenhouse gas emission allowances. Household electricity is currently subject to a 5 % VAT rate. VAT is calculated on a price that already reflects the costs related to the EU emissions trading system (ETS). The EAC's published methodology confirms that CO₂ allowance costs form part of its fuel adjustment. The 5 % household rate applies from 1 May 2026 to 31 March 2027. The Commission's citizens energy package supports lower household electricity taxes and consumer transparency.

The Commission is asked:

1. Under Articles 73, 78 and 98 of Directive 2006/112/EC, may Cyprus exclude the part of the electricity price reflecting EU ETS allowance costs from the VAT base, or apply 0 % VAT to that component while retaining 5 % on the remainder?
2. Which taxes, levies and other components of household electricity bills in Cyprus are nationally determined, and which may be reduced or restructured by the Cypriot authorities under current EU law?
3. Does the Commission consider that electricity bills in Cyprus provide sufficient transparency to distinguish EU ETS-related costs, VAT, and nationally determined taxes, levies and regulated charges, so that consumers can identify which costs arise from EU obligations and which from national decisions?

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