



**Recommendation 1634 (2003)<sup>1</sup>**

## Tax incentives for cultural heritage conservation

Parliamentary Assembly

1. While recognising the intrinsic importance of our cultural heritage (both movable and immovable, and including the crafts necessary for their maintenance) the Parliamentary Assembly also stresses its significance and value in economic and educational terms and in relation to creating international understanding and goodwill.
2. Historic buildings and other objects of historic and cultural interest have a major role to play in this context and therefore need to be protected, cared for and maintained for the benefit of present and future generations.
3. Responsibility for the conservation of any particular object or site rests first with the owner. Where necessary the owner should be given whatever support and encouragement the wider community might be able to offer.
4. Public funding comes from a variety of sources, including international organisations, central governments, local and regional authorities, etc. However, such funding is becoming increasingly inadequate to meet the needs of cultural preservation and promotion. Particular difficulties arise in countries with an especially rich historical heritage as well as in former state-run economies. Moreover, culture is often the first victim of spending cuts in times of economic retrenchment.
5. The private sector can and does also play a role in terms of corporate sponsorship and contributions from foundations and individuals. Private owners can be encouraged by the power of example, assisted by information, and directly aided by sponsorship or the national lottery. Income from the use or display of cultural property can also be used to help in its maintenance (for example, revenue from tourism, publications or film rights).
6. However, one cannot expect too much from the private sector without some form of incentive. The middle path of fiscal encouragement is urgently needed.
7. Fiscal arrangements can be flexible. They form part of cultural policy. They apply differently to property in public, institutional or private hands. Tax relief may be restricted to specific areas, such as the upkeep of rarely used churches or recently privatised property. It can be made conditional, for example, on public access, proper maintenance or legacy to the state.
8. The Assembly has pressed in the past for fiscal incentives for heritage conservation on both national and European bases. The question has been frequently underlined by the European ministers responsible for the cultural heritage. The Assembly welcomes the detailed proposals set out by the Committee of Ministers in its Recommendation No. R (91) 6 on measures likely to promote the funding of the architectural heritage and which include detailed reference to taxation. However, many of these proposals have not been put into practice. A review of the situation in member states commissioned in 1994 has not been published.

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1. (see [Doc. 9913](#), report of the Committee on Culture, Science and Education, rapporteur: Baroness Hooper; and [Doc. 9980](#), opinion of the Committee on Economic Affairs and Development, rapporteur: Ms Griffiths). Text adopted by the Standing Committee, acting on behalf of the Assembly, on 25 November 2003



9. The European Union has itself been experimenting with reduced VAT for labour-intensive services and five countries are applying this to buildings. This could become a welcome move towards a “cultural exception” if it were to be explicitly applied to cultural heritage.

10. The Assembly therefore recommends that the Committee of Ministers:

*review the existing systems which apply tax relief and fiscal encouragement relating to the protection and conservation of the cultural heritage on a country-by-country basis and publish the results;*

*make use of the new information technologies, for example in the context of Herein (Heritage Information Network), to create a database as a guide to good practice in tax incentives and to identify interesting anomalies;*

*consider ways in which tax incentives may be co-ordinated, for example along the lines of Transnational Giving Europe so that they may be applied at European or international levels with a view to encouraging:*

- a. the work of international non-governmental organisations in the heritage sector (as the private organisations working under Unesco auspices in Venice); and*
- b. international action and aid for the protection of heritage sites, buildings and objects of worldwide significance which are endangered or damaged by war and conflict, such as those in the Balkans and Iraq;*

*encourage governments to recognise and support the role of intergovernmental bodies such as Unesco or the Council of Europe itself, as well as NGOs such as Europa Nostra, with regard to tax incentives for their activities;*

*engage in a direct dialogue with the relevant EU authorities to ensure that any future EU legislation on VAT includes specific recognition of heritage protection, particularly in relation to the regular maintenance and upkeep of properties, thereby avoiding the greater costs of eventual major restoration work, and encourage the implementation of parallel arrangements in other European countries.*