

## Taxation

Extract from UNIC's Annual Report 2014-2015

Cinemas in many UNIC territories benefit from preferential VAT rates on tickets because of their cultural value. However, excessive taxation is increasingly endangering the livelihood of cinemas in several European territories, in particular those most affected by the recent economic recession. While these cinemas face significant falls in consumer spending and often an increased VAT rate despite their cultural offer, they also need to invest into digital cinema technology in order to survive the nearing end of 35mm film distribution. UNIC works with its members at national level to convince governments that increasing VAT, entertainment taxes or similar levies only creates a short-term boost to government returns while in the long term damaging the industry as well as the state budget.