

VAT Matters in the Retail Sector

THE VAT rate applicable on the supply of food and drink in the retail sector varies depending on the product. Therefore, a number of vat rates must be considered to ensure accuracy when completing your vat return with the Revenue Commissioners for the particular period.

As most retailers have a scanning system for the sale of each item, this ensures accurate records of the VAT on sales and VAT on purchases at each particular rate. However, a key element for this system to work accurately is to ensure that the initial set-up of the VAT rates applicable to each particular item on the till system is correct.

We have detailed below, a brief Q&A of some VAT matters under current legislation which apply to the retail sector.

What is the deadline for filing a VAT return?

VAT returns are filed bi-monthly, quarterly, bi-annually or on an annual



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basis, depending on your agreement with the Revenue Commissioners. Each return must be filed & paid by the 19th of the following month, depending on your above basis, or the 23rd if the VAT return is filed online via ROS.

Do penalties apply if I file my VAT return late?

Penalties do not apply. However, interest on late

payment may be applied by the Revenue Commissioners on the sum outstanding at the due date.

What is the VAT rate for drinks?

Alcohol, soft drinks (excluding certain fruit juices at 9%), bottled water and health drinks are liable to the standard rate of 23%.

What is the VAT rate for cold food (sandwiches) take-away?

The above item is zero-rated for VAT purposes.

What is the VAT rate for hot take-away food for inclusive price?

For example, a bread roll with a cold item (e.g. coleslaw) and hot chicken is all liable to VAT at the second reduced rate (9%). The term hot take-away food is understood as cooked food which is supplied while hot for the purpose of consumption while hot, that is, at a temperature above the ambient air



Director: Derek Keating, BBS, ACA, Tax Accounting Ireland. temperature i.e. hot deli counter items.

What is the VAT rate for chocolates, sweets etc?

The vat applicable is the standard 23%.

If you have any further queries please do not hesitate to contact us at: Tax Accounting Ireland, 32 Fitzwilliam Place, Dublin 2. Tel: (01) 6624977. or on our email/website detailed below



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