

Supply of goods by Horticultural Retailers

This document should be read in conjunction with paragraph 12 of schedule 2 and paragraph 22 of schedule 3 to the VAT Consolidation Act 2010 (VATCA 2010)

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1 Introduction

All retailers of horticultural products, including garden centres and flat-rate farmers whose annual retail sales of horticultural products and other goods exceed or are likely to exceed the VAT registration threshold €75,000 are obliged to register and account for VAT. 'Horticultural products' for this purpose means non-food products of a type listed at paragraph 2. 'Other goods' means goods other than agricultural produce.

2 Rates

The reduced rate applies to:

- live plants, including instant lawn turf
- live trees
- live shrubs
- bulbs, roots and the like
- seeds
- cut flowers
- ornamental foliage.

The Standard rate applies to artificial flowers, dried flowers and dried foliage. Cut trees (for example, Christmas trees), are also liable at the standard rate.

The zero rate of VAT applies to plants (including live plants), trees (including live trees), bulbs, roots and seeds used for growing food.

The supply of pots is subject to VAT at the standard rate. The supply of potted plants is normally taxable at the reduced rate. However, where the value of the pot is 20% or greater than the tax exclusive price of the plant and the pot, its supply becomes taxable at the standard rate.

3 Obligation to Register

Farmers and garden centres supplying horticultural products to the general public must register and account for VAT on all their business activities subject to the VAT registration threshold of €75,000.

A retailer of horticultural products cannot avoid registering for VAT by splitting his/her business into a number of separate smaller units, each selling less than the annual registration limit. The various units will be grouped as a single business for VAT purposes.

In addition, where a person supplies a combination of retail horticultural produce and agricultural services, the registration threshold is €37,500. This is the normal VAT registration threshold which applies where a person supplies both goods and services.

Businesses such as florists benefit from the reduced VAT rate on the horticultural produce of a type listed at paragraph 2.