

The VAT treatment of the procurement of certain Goods and Services by a Public Body

This document should be read in conjunction with sections 9, 14(1), 16(3) of the Value-Added Tax Consolidation Act 2010.

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Introduction

This guidance sets out the circumstances in which a public body, which is not otherwise a [taxable person in relation to its activities](#), may engage in the procurement of certain goods or services in respect of which they will be required to register and account for VAT.

‘Public body’ is a broad ranging term, which includes Government Departments, An Garda Síochána, the Defence Forces, local authorities including regional authorities and harbour authorities, the Health Services Executive, State sponsored bodies, public hospitals, enterprise boards and educational establishments, such as, Universities, Institutes of Technology, Education and Training Boards and schools.

1. VAT registration for received goods and services

A public body, which does not make taxable supplies of goods or services, is obliged to register and account for VAT in the following circumstances:

- Where it acquires, or is likely to acquire, more than €41,000 worth of goods from other EU Member States ([Intra-Community acquisitions](#)) in a 12-month period.
- Where it is in receipt, as a principal contractor, of [reverse charge construction](#) services supplied by a sub-contractor.

2. VAT registration solely for the purpose of reverse charge construction services

Where a public body is required to register for VAT by virtue, solely, of the fact that it is required to account for VAT on received construction services, that public body will not be considered to be a VAT registered person for any other purpose. A public body in those circumstances will not, for example, be required to account for VAT in respect of intra-Community acquisitions unless they breach the relevant registration threshold or are otherwise obliged to register for VAT.

3. Intra-Community acquisitions of goods

A taxable person, including a public body, who is registered for VAT in respect of its taxable supplies is required to account for VAT in respect of the [Intra-Community acquisition of goods](#).

A taxable person, including a public body, who is not otherwise obliged to register for VAT is required to register and account for VAT in respect of the intra-Community acquisition of those goods, where it acquires, or is likely to acquire, more than €41,000 worth of those goods in a 12-month period.

4. Services received from outside the State

A taxable person, including a public body, who is registered for VAT in respect of its taxable supplies is required to account for VAT in respect of services received from outside the State.

A public body, who is not otherwise obliged to register for VAT, is not required to account for VAT in respect of services received from outside the State. The supplier may, depending on the nature of the services, be required to register and account for VAT in the State.

5. Importation of goods

Goods imported into the State by a public body, whether registered for VAT or not, from outside the European Union are subject to VAT at the point of entry, at the appropriate Irish VAT rate.

It should be noted however, that where a public body is registered for VAT, it may avail of [postponed accounting](#) provisions, subject to conditions.

6. Accounting for VAT

Where a public body is required to account for VAT on goods or services received, VAT becomes due on the 15th day of the month following the month during which the intra-Community acquisition of goods or the receipt of services takes place.

In the case of goods and services received from suppliers in other EU Member States and services received from outside the EU, VAT is accounted for on the amount invoiced by the supplier.

In the case of [imports](#), VAT is payable on the value of the goods for customs purposes.

6.1 VAT rates

The VAT rate applicable is the Irish VAT rate that would apply to the supply of the same goods or services in Ireland. The rate of VAT on a variety of goods and services can be found on the [VAT rates database](#). In case of doubt, you should contact your [Revenue Division](#).

6.2 VAT return

Where a public body is registered for VAT it must complete and file its VAT return for each taxable period. A nil return should be filed for any taxable period in which there is no VAT to be accounted for.

7. Entitlement to deductibility

A public body that is registered for VAT solely in respect of accounting for VAT on received goods or services is not entitled to deduct VAT paid on such goods or services.

Where, a public body is required to register and account for VAT on supplies of taxable goods or services made by it, it will be entitled to deduct VAT incurred in respect of the costs of the goods and services used for the purposes of its taxable supplies, subject to normal deductibility rules.

8. Intrastat

It should be noted that where a public body is in receipt of goods and/or services from other Member States it may be required to make a monthly statistical return in respect of those acquisitions subject to the Intrastat provisions. More detailed information on the Intrastat regime including applicable thresholds can be found on the [Revenue website](#).