

## VAT treatment of broiler chicken services

This guidance should be read in conjunction with sections 2, 3, 4, 5, 6, 9, 19, 25, 38, 46(1)(c), 53, 53A, 59, 65, 66, 70, 74, and 86A, paragraph 4(2) of Schedule 3, paragraph (d) of Part 2 of Schedule 4 of the Value-Added Tax Consolidation Act 2010 (VATCA 2010), Value-Added Tax (Refund of Tax) (Flat-rate Farmers) Order, 2012 [S.I. No. 201 of 2012] and Value-Added Tax (Restriction of Flat-Rate Addition) Order 2025 [S.I. No. 327 of 2025].

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## Introduction

This guidance sets out the VAT treatment of broiler chicken services following their exclusion from the flat-rate farmers addition.

Under Section 86A of the Value-Added Tax Consolidation Act 2010, the Minister for Finance excluded from the flat-rate farmers addition, the supply of any agricultural service of stock minding, rearing and fattening during the production of broiler chickens (broiler chicken services). The exclusion has effect from 1 September 2025.

**Section 1** of this guidance document explains what supplies are affected by the order.

**Sections 2, 3, 4, 5, and 6** explain the general VAT rules on registration, charging VAT, VAT record keeping (including invoicing), reclaiming VAT (including the Flat-rate Farmers Refund Order), and accounting for VAT and illustrates how they apply to broiler chicken farmers.

**Section 7** explains the VAT implications for certain business structures and transactions that apply to VAT registered businesses involved in mixed farming or where multiple farming businesses operate on the same farm (mixed farms) that may be relevant to broiler chicken farmers.

Information on the [VAT Treatment of the flat-rate farmers scheme](#) and the VAT treatment of [Agricultural Services](#) are available on the Revenue website.

## 1 Broiler chicken services

Broiler chicken services are the stock minding, rearing and fattening of chickens for meat production. It does not involve the growing of turkeys, ducks, or geese or the production of eggs. The supply of chicks is the supply of goods and is not covered by broiler chicken services.

For the purposes of this guidance, farmers who supply broiler chicken services are referred to as broiler chicken farmers.

### 1.1 Exclusion by Ministerial Order

Prior to 1 September 2025, flat-rate farmers could add the flat-rate addition percentage when they made supplies of broiler chicken services to VAT registered businesses. From 1 September 2025, farmers who provide broiler chicken services can no longer add the [flat-rate addition](#) percentage to the price of these services.

A VAT registered farmer supplying broiler chicken services is obliged to charge the [reduced rate of VAT](#) for these services to all their customers. VAT registered farmers

can deduct VAT charged to them on purchases made for the purposes of their farming business, subject to the normal restrictions on deductibility (see [section 5](#)).

## 2 VAT registration

Broiler chicken farmers can register for VAT if their supplies of broiler chicken services are above the VAT registration [threshold for services](#). If their supplies are below the threshold, they may still [elect to register](#).

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[...]

A broiler chicken farmer who registers for VAT, becomes obliged to charge VAT (see [section 3](#)), maintain VAT records (see [section 4](#)), and account and pay VAT to Revenue (see [section 6](#)).

Where a farmer is carrying out multiple farming activities (mixed farmers) and registers for VAT in respect of their broiler chicken services, they will no longer be able to avail of the flat-rate scheme and must charge VAT at the appropriate VAT rate, on all their supplies of agricultural goods and services (see [section 3.2](#)).

However, where multiple farming businesses are carried out by different legal entities, even if operating on a single or shared farm, each has their own VAT obligations and registration requirements, and these are normally assessed separately.

### 2.1 How to register for VAT

Broiler chicken farmers can [register for VAT](#) online. Applications for VAT registration can be made online using the [Revenue Online Service](#) (ROS) facility. In certain exceptional circumstances, applicants who cannot avail of ROS may complete the paper version of the form and submit to their [Revenue Branch](#).

The VAT registration will generally take effect from the date stated on the application (see paragraph 3.4.1 of the [VAT Registration guidance](#)). The VAT

registration threshold relevant to broiler chicken services is €42,500 ([the services threshold](#)).

Further detailed information in relation to the VAT thresholds is available on the [Revenue website](#).

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**Example 1**

Broiler chicken farmer A supplies broiler chicken services and registers for VAT. Farmer A must charge and account for VAT on the supply of broiler chicken services at the [reduced rate](#).

**Example 2**

Broiler chicken farmer B supplies both broiler chicken services and live cattle and registers for VAT. Farmer B must charge and account for VAT on the supply of broiler chicken services and the supply of cattle at the appropriate rates.

**Example 3**

Broiler chicken farmer C carries out a cattle rearing business and owns Company X which supplies broiler chicken services. Company X is registered for VAT and must account for VAT on its supplies of broiler chicken services. Farmer C can avail of the flat-rate scheme and is not required to register for VAT in respect of their agricultural supplies.

## 2.2 Business segregation and connected persons

A business cannot split or segregate its business between multiple entities for the purposes of VAT registration. Anti-avoidance provisions can apply to prevent connected persons from gaining any advantage from splitting their business activities into business units which can trade below the goods / services thresholds to avoid VAT registration.

Where two or more persons (including companies):

- make supplies of the same nature and
- one of the persons exercises control over the others,

the total consideration for those supplies will be taken as the total consideration by those persons.

**Example 4**

Broiler chicken farmer D provides broiler chicken services and receives €80,000 in a calendar year. Farmer D decides to split this business into two and transfers part of the activity to Company Y, so that Farmer D and Company Y each earn €40,000 from broiler chicken services. Farmer D controls Company Y. Revenue will use the total annual turnover of both entities (€80,000) for the purposes of VAT registration.

### 3 Charging VAT

A broiler chicken farmer who registers for VAT, is obliged to charge VAT at the appropriate rate on their taxable supplies (see [section 3.2](#)). If the broiler chicken farmer is engaged in other activities, including farming activities, they must charge and account for VAT on all their taxable supplies. For information on mixed farming, see [section 7](#).

#### 3.1 Taxable amount

VAT is chargeable on the total sum paid or payable to the broiler chicken farmer for the service. That total sum includes all taxes, charges, commissions, and costs, but excludes the VAT itself.

##### Example 5

Broiler chicken farmer E registers for VAT and is contracted to perform chicken growing services for Co-Op Alpha. Broiler chicken farmer E is obliged to issue a VAT invoice and charge VAT at the appropriate rate on the total consideration they are entitled to receive:

Broiler chicken services	<u>€6,000.00</u>
Total amount on which VAT is chargeable	€6,000.00
VAT at <a href="#">reduced rate (13.5%)</a>	<u>€810.00</u>
Total chargeable to Co-op Alpha	€6,810.00

##### Example 6

The details are the same as in example 5, however, the broiler chicken farmer also supplies cattle to Company Delta. Broiler chicken farmer E is obliged to issue a VAT invoice and charge VAT at the appropriate rate on the total consideration they are entitled to receive for both goods (cattle) and services (broiler chicken services):

Broiler chicken services	<u>€6,000.00</u>
VAT at <a href="#">reduced rate</a> (13.5%)	<u>€810.00</u>
Total charged to customer	€6,810.00
Live cattle	<u>€20,000.00</u>
VAT at <a href="#">livestock rate</a> (4.8%)	<u>€960.00</u>
Total charged to customer	€20,960.00

Further information in relation to what amount to charge VAT on is available on the [Revenue website](#).

### 3.2 VAT rate

The supply of broiler chicken services (i.e. stock minding, rearing and fattening during the production of broiler chickens) is liable to VAT at the [reduced rate, \(currently 13.5%\)](#).

Revenue's [VAT Rates Database](#) can be used as a resource to check the current VAT rates that apply to various supplies of goods and services in the State.

## 4 VAT records

Generally, broiler chicken farmers who register for VAT have obligations to keep [VAT records](#) for 6 years from the date of the latest transaction to which the records relate, and they need to be aware of and observe the rules for issuing VAT invoices and credit notes.

Further information in relation to keeping VAT records is available on the [Revenue website](#).

### 4.1 VAT invoicing

A VAT invoice is a document issued by an [accountable person](#), in this instance a VAT registered broiler chicken farmer. A VAT invoice sets out the details of the taxable supplies of goods or services that the broiler chicken farmer is engaged in and all related information as prescribed by VAT law.

The accountable person is required to issue a VAT invoice within 15 days of the end of the month in which goods or services were supplied to other accountable persons.

Further information in relation to invoicing is available on the [Revenue website](#).

#### 4.1.1 Credit notes

A VAT credit note is a document issued by an [accountable person](#), in this instance a VAT registered broiler chicken farmer, to their customer. A credit note reflects a discount or reduction in the price originally invoiced in respect of the goods or services supplied.

Further information in relation to credit notes is available on the [Revenue website](#).

## 5 Reclaiming VAT (deductibility)

Broiler chicken farmers who register for VAT and make taxable supplies of goods and / or services, can reclaim VAT they incur on purchases used for the purposes of their taxable supplies. However, they may not reclaim VAT on goods and / or services used for non-business activities or on purchases made prior to VAT registration.

Examples of purchases reclaimable by a VAT registered broiler chicken farmer include:

- Electricity and fuel (but not petrol),
- Veterinary services and non-oral animal medicines<sup>1</sup>,
- Farm vehicles<sup>2</sup>,
- Farm machinery and tools/equipment,
- Agricultural services,
- Accountancy services.

This list is not exhaustive.

A claim for a refund of VAT must be made within 4 years from the end of the [taxable period](#) to which the claim relates. The claim is made on the VAT 3 return ([see section 6](#)).

### 5.1 The Capital Goods Scheme

Generally, if a business constructs a building (an ‘immovable good’) to use in making supplies that are subject to VAT, then the business can reclaim VAT it incurred on the construction, and the building becomes subject to the Capital Goods Scheme (CGS).

This scheme ensures that the VAT reclaimed reflects how the property is used over its VAT life (generally 20 years). If, during this period, the property use changes from taxable business activities to a non-business or exempt activity, then an annual VAT charge may arise under the CGS, effectively to offset the portion of the original VAT deduction that is attributable to the time that the property is put to a non-VATable use. Such calculations and adjustments are required annually over the remaining VAT life of the property.

Further detailed information in relation to the [Capital Goods Scheme](#) and its application is available on the [Revenue website](#).

<sup>1</sup> No VAT is incurred on oral animal medicine (because it is subject to the zero rate of VAT).

<sup>2</sup> Certain restrictions apply to deducting / reclaiming VAT on vehicles. Further information is available on recovering VAT on motor vehicles is available on [Revenue.ie](#).

### Example 7

Broiler chicken farmer F registers for VAT and following registration constructs an additional broiler house. Broiler chicken farmer F can reclaim the VAT they have incurred on the broiler house construction costs in their VAT3 return. Broiler chicken farmer F will also have Capital Goods Scheme obligations.

### Example 8

Broiler chicken farmer G registers for VAT and following registration purchases a tractor. Farmer G can reclaim the VAT they have incurred on the tractor purchase in their VAT3 return.

### Example 9

Broiler chicken farmer H registers for VAT and attempts to claim back VAT on business expenditure incurred and used for this activity before they registered for VAT. Farmer H is not entitled to reclaim this VAT as it was incurred when they availed of the flat-rate scheme and were not registered for VAT.

Further information in relation to reclaiming VAT is available on the [Revenue website](#).

## 5.2 Flat-rate Farmers Refund Order

Broiler chicken farmers who register for VAT will not be eligible to make a claim under the [Flat-rate Farmers Refund Order](#) from the time they have registered. VAT registered broiler chicken farmers can reclaim VAT on their farming business costs through their VAT3 return subject to the normal rules on deductibility.

Farmers who register for VAT cannot seek VAT refunds through their VAT return for VAT incurred on expenditure that was used during the time they were using the farmers flat-rate scheme. However, farmers can continue to claim under the refund order for eligible costs incurred before registering for VAT, subject to the four-year time limit.

In addition, a VAT registered farmer who has previously claimed a refund of VAT under the refund order before 1 September 2025 cannot reclaim the VAT incurred a second time in their VAT return.

### 5.2.1 Flat-rate Farmers Refund Order review period.

Generally, registering for VAT does not affect previous or existing valid claims made under the refund order for VAT incurred on qualifying expenditure prior to the VAT registration date.

However, the refund order is subject to a one-year review period and farmers who have availed of the refund order are obliged to review the usage of assets that are

subject of a claim under the refund order to ensure that the assets have been used mainly for the purposes of the farmer's farming business.

Farmers need to be aware of the following scenarios, which may trigger a clawback of VAT repaid under the refund order:

- If a farmer decides to incorporate a farming business and the assets of the farming business, that were the subject of a claim under the refund order, are transferred to the new company within the review period this would be a disposal and will trigger a clawback of the VAT reclaimed by the farmer.
- If a farmer incorporates a farming business and does not introduce assets to the new company, but leases assets that were the subject of a claim under the refund order to the new company, within the review period, this will also trigger a clawback, as the letting of immovable goods is not a farming activity.
- If a farmer incorporates a farming business and allows the new company to use assets that were the subject of a claim under the refund order, without introducing the assets to the company or leasing them to the company, this may also trigger a clawback, as the assets would no longer be used for the purposes of the farmer's farming business as it would now be used for the new company's farming business.

#### **Example 10**

Broiler chicken farmer I incurs €20,000 VAT on the construction of a farm building on June 1<sup>st</sup>, 2025 and receives a VAT refund under the refund order. He subsequently incorporates Company U and transfers ownership of the farm building to the company on 1<sup>st</sup> May 2026. Farmer I carries out the review specified by the refund order on June 10<sup>th</sup> 2026. As the farm building is no longer in use in farmer I's farming business, he must repay the €20,000 to Revenue.

#### **Example 11**

Broiler chicken farmer J incurs €10,000 VAT on the construction of a farm building on June 1<sup>st</sup>, 2025 and receives a VAT refund under the refund order. He subsequently incorporates Company V, leases the farm building to the company on 1<sup>st</sup> May 2026 and charges the company an annual rent. Farmer J carries out the review specified by the refund order on June 17<sup>th</sup>, 2026. As the farm building is no longer in use in farmer J's farming business, he must repay the €10,000 to Revenue.

#### **Example 12**

Broiler chicken farmer K incurs €15,000 VAT on the construction of a farm building on June 1<sup>st</sup> 2025 and receives a VAT refund under the refund order. He subsequently incorporates Company W and allows the Company to use the farm building, commencing on 1<sup>st</sup> May 2026. He does not transfer the ownership of the building to the company and does not charge the company an annual rent for the use of the building. Farmer K carries out the review specified by the refund order on June 24<sup>th</sup>,

2026. As the farm building is no longer in use farmer K's farming business, he must repay the €15,000 to Revenue.

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## 6 Accounting for and paying VAT to Revenue

Broiler chicken farmers who register for VAT must account for VAT on their supplies and pay that VAT to Revenue. Generally, VAT becomes due on the date the supply was made or the date the invoice is issued.

Further information in relation to when VAT is due is available on the [Revenue website](#).

### 6.1 How to pay and file the VAT3 return

A VAT registered business must file their VAT3 return with the [Collector General's](#) and pay or reclaim any VAT due by the 19<sup>th</sup> day of the month following the end of the taxable period. This period is extended to the 23<sup>rd</sup> day of the month for [Revenue Online Service](#) (ROS) users.

Further information in relation to when VAT becomes payable is available on the [Revenue website](#).

### 6.2 What are the taxable periods for VAT?

A taxable period for VAT is a 2-month period (bi-monthly) commencing on the first day of:

- January,
- March,
- May,
- July,
- September,
- November.

Further detailed information in relation to the taxable periods for VAT is available on the [Revenue website](#).

## 6.3 Completing a VAT3 return

A VAT3 return records the VAT payable or reclaimable by a VAT registered business in a taxable period.

Further detailed information in relation to completing a VAT3 return is available on the [Revenue website](#).

## 6.4 Self-accounting for VAT on intra-Community acquisitions

Where a VAT registered broiler chicken farmer purchases goods from another Member State or Northern Ireland<sup>3</sup>, this is known as an [intra-Community acquisition](#) (“ICA”). Under ICA rules, the broiler chicken farmer must [self-account](#) on the reverse charge basis for the VAT on the ICA of goods.

This means that the broiler chicken farmer must account for the VAT, at the rate applicable in Ireland, on the purchase of goods from a VAT registered business in another Member State. They may take a simultaneous VAT input credit in their VAT return subject to the normal rules on deductibility.

### Example 13

Broiler chicken farmer L is registered for VAT. Farmer L purchases agricultural machinery from a VAT registered business in France for €100,000. Farmer L self-accounts for VAT on the agricultural machinery purchase on the reverse charge basis (T1) and can claim a simultaneous deduction (T2) in their VAT3 return. No French VAT should be charged to the farmer.

#### Sample VAT return example:

T1 – VAT on sales	€23,000.00
T2 – VAT on purchases	<u>€23,000.00</u>
T3 – VAT payable	NIL
T4 – VAT repayable	NIL

Further information in relation to self-accounting for VAT is available on the [Revenue website](#).

<sup>3</sup> Northern Ireland is subject to the same European Union (EU) VAT rules on goods as EU Member States. EU VAT rules on services do not apply to Northern Ireland.

## 6.5 Importations and postponed accounting

Where a broiler chicken farmer imports goods into the State from outside the EU (and Northern Ireland)<sup>4</sup>, VAT is payable at the point of entry. Imported goods are liable to VAT at the rate applicable in the State. For example, agricultural tools are standard rated on sale within the State and are standard rated on importation.

VAT registered broiler chicken farmers who import goods may use [postponed accounting](#) arrangements. This enables the VAT registered broiler chicken farmer to account for VAT on imports on their VAT3 return. There are certain conditions of use which are set out separately in the Tax and Duty Manual on [Postponed Accounting](#).

Further information in relation to when VAT is payable on importation is available on the [Revenue website](#).

## 6.6 VAT Return of trading details (RTD)

The VAT RTD is an annual return which all VAT registered persons are required to complete and submit to Revenue. The purpose of the VAT RTD is to collect information on certain transactions and supplies. The RTD form details the total purchases and sales for the year, including details of the Irish VAT rate(s).

Further information in relation to the VAT RTD is available on the [Revenue website](#).

## 7 Mixed farming

There are many variations of how a farming business is structured. As such, the exact VAT treatment can only be established by the facts of each individual case. This guidance provides information as to how to treat some mixed farms from a VAT viewpoint. The business structure chosen will also have implications for other taxes and regulations.

Where a farmer is involved in multiple farming activities (e.g., broiler chicken services, dairy farming, or cattle rearing) and registers for VAT, the farmer must charge and account for VAT on their supplies from all their farming activities.

However, multiple farming businesses can be operated by different legal entities on the same farm. Subject to the business segregation test ([see section 2.2](#)), the VAT registration obligation of each of those legal entities is considered separately.

### Example 14

Farmer M is involved in mixed farming of broiler chicken services activities and suckler beef farming. Farmer M decides to move their broiler chicken services into

<sup>4</sup> Northern Ireland is subject to the same European Union (EU) VAT rules on goods as EU Member States. EU VAT rules on services do not apply to Northern Ireland.

Company Beta. Company Beta registers for VAT. Company Beta must charge and account for VAT on their supplies from broiler chicken services.

Farmer M remains a sole trader for the suckler beef farming activity. Farmer M can continue to avail of the farmers flat-rate scheme as a flat-rate unregistered farmer for the suckler beef farming activity. Farmer M should consider the implications of moving the broiler chicken business including whether any VAT reclaimed under the Flat-rate Farmers Refund Order is repayable under the one-year review period.

### Example 15

Farmer N is a sole trader involved in mixed farming of broiler chicken services and sheep farming. Farmer N remains a sole trader and registers for VAT. Farmer N is obliged to charge and account for VAT on all their farming activities, at the appropriate rates.

#### 7.1 Mixed farming and reclaiming VAT

Only VAT registered businesses are entitled to deduct input VAT on their business costs. Apart from the Flat-rate Farmers Refund Order, farmers who avail of the flat-rate scheme cannot reclaim VAT on their business costs.

In most cases, this will be straightforward. Where a broiler chicken farmer is registered for VAT, they can claim back the VAT they incur on their costs (including farm vehicles<sup>5</sup> and equipment) subject to the normal rules on deductibility.

If a broiler chicken farmer is carrying out multiple farming activities (mixed farming) and is registered for VAT, then they can claim back VAT inputs in the normal way.

If a broiler chicken farmer is not registered for VAT and carries out other farming activities under the flat-rate farmers scheme, they cannot deduct any VAT, though they may be entitled to reclaim certain qualifying costs under the Flat-rate Farmers Refund Order.

#### 7.2 Mixed farms and shared use of vehicles / equipment

If a broiler chicken farmer is registered for VAT and **allows the use of his or her farm vehicle or equipment by other legal entities** (whether operating on the same farm or not), there are VAT implications.

- a) If the farmer **does not charge a fee**, they must treat the use of the vehicle or equipment as a supply of that vehicle or equipment to the other legal entity and account for VAT on the cost of that vehicle or equipment. This means that they will have to repay the VAT they reclaimed on that vehicle or equipment. Further

<sup>5</sup> Guidance on claiming VAT back on motor vehicles is available on the [Revenue website](#).

detailed information in relation to goods diverted to a private or exempt use (self-supply) is available on the [Revenue website](#).

- b) If the farmer **charges a fee** for the use of the vehicle or equipment, they must account for VAT at the appropriate rate. In these cases, the farmer is not required to repay the VAT originally reclaimed on that vehicle or equipment. However, they should consider whether the situation described at paragraph d below applies to them.
- c) In the case of **barter transactions**, or in transactions in which the consideration is not stated wholly in terms of money for supplies of goods or services, VAT is payable by reference to what might reasonably be expected to be the [open-market \(arm's length\)](#) price of the goods or services supplied.
- d) Where the farmer is **connected** to the person or legal entity making use of the vehicle or equipment and the farmer charges a fee, that VAT must be calculated on the [open market value \(OMV\)](#) of that supply. The OMV is the arm's length consideration for the goods and services. If there is no comparable supply, the open market value is not less than the purchase price / cost to the farmer.

#### Example 16

Farmer O is VAT registered and allows his tractor to be used by Company Y. Farmer O owns Company Y and they are considered connected for VAT purposes.

The diversion to another use by farmer O, triggers a VAT liability for farmer O who is treated as making a supply. Farmer O must repay the full amount of the VAT originally deducted for the purchase of that tractor.

#### Example 17

Farmer P is VAT registered and allows his tractor to be used by Company Z. Farmer P owns Company Z and they are considered connected for VAT purposes. Farmer P charges a fee for the use of the tractor to Company Z. The fee is set at arm's length.

Farmer P is obliged to charge VAT to Company Z and account for that VAT in their VAT return.

### 7.3 Revenue determinations

Revenue may decide that the value on which VAT is chargeable on supplies between connected persons is the open market value in certain circumstances. Open market value determinations can be made under three circumstances, where the price originally charged was:

- lower than the open market value, where the recipient is not entitled to any deduction, or is not entitled to full deductibility on that supply, or is a flat-rate farmer,
- lower than the open market value, being an exempted activity, where the supplier engages in non-deductible supplies or activities, or is a flat-rate farmer,
- higher than the open market value where the supplier engages in non-deductible supplies or activities or is a flat-rate farmer.

For this provision to apply, the supplier and the recipient must be connected persons, or one exercises control over the other.

Persons are considered connected where they have: financial or legal ties, being persons who are party to any agreement, understanding, promise or undertaking whether express or implied and whether enforceable or intended to be enforceable by legal proceedings.

Control means:

- (a) in relation to a body corporate, the power of a person to secure, by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate, or by virtue of any powers conferred by the articles of association or other document regulating that or any other body corporate, that the affairs of the first-mentioned body corporate are conducted in accordance with the wishes of that person,
- (b) in relation to a partnership, the right to a share of more than one-half of the assets, or of more than one-half of the income, of the partnership.

A determination on the open market value (OMV) can be appealed to the Tax Appeal Commissioners (TAC) within the period of 30 days after the date of the notice of that determination.

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