Flat-Rate Farmers Refund Order

This document should be read in conjunction with Section 103 of the Value-Added Tax Consolidation Act 2010 and Value-Added Tax (Refund of Tax) (Flat-rate Farmers) Order 2012 (S.I. No. 201/2012)

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Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

The information in this document is provided as a guide only and is not professional advice, including legal advice. It should not be assumed that the guidance is comprehensive or that it provides a definitive answer in every case.

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Introduction

Under the Value-Added Tax (Refund of Tax) (Flat-rate Farmers) Order 2012 (S.I. No. 201/2012), flat-rate farmers can claim refunds for the VAT they incur on certain expenditure used solely for their farming business.

This guidance sets out how VAT can be reclaimed under the Refund Order by flat-rate farmers, the conditions under which VAT may be reclaimed, and the information required to make a claim. VAT-registered farmers can reclaim VAT on their farming business costs through their VAT return subject to the normal rules on deductibility.

Paragraphs 1, 2 and 3 explain who is eligible for a VAT refund and what VAT is refundable under the Order, including examples of what is not refundable under the Order. **Paragraph 4** sets out the conditions to be met, how to make a refund claim, the period for making claims, and important information on record-keeping and the tax compliance obligations of claimants.

Paragraph 5 explains the VAT refundable for the construction, extension, alteration or reconstruction of farm buildings or structures and provides information on fixtures, fittings, non-refundable costs, and repairs. **Paragraph 6** sets out the VAT refundable for fencing, draining and reclamation of farmland. **Paragraph 7** sets out the VAT refundable for the construction, erection or installation of qualifying equipment for the purpose of micro-generation of electricity. **Paragraph 8** provides information on costs financed under a finance agreement.

Paragraph 9 explains the mandatory review that claimants who have received a VAT refund are required to undertake, and the liability to repay VAT refunds.

Further information on flat-rate farmers is available on the Revenue website.

1. Who is eligible for a VAT refund under the Refund Order?

Only flat-rate farmers who have incurred VAT in relation to certain types of expenditure are eligible.

VAT can only be refunded on the following expenditure.

> (a) the construction, extension, alteration or reconstruction of any building or structure which is designed for use solely or mainly in his or her farming business,
>
> (b) the fencing, drainage or reclamation of any land intended for use for the purposes of his or her farming business, or

(c) the construction, erection or installation of qualifying equipment for the purpose of micro-generation of electricity for use solely or mainly in his or her farming business.

The building, structure, reclaimed land, or qualifying equipment must be used in the farming business for a period of not less than one year commencing on the date the VAT was incurred.

A VAT-registered farmer can claim back VAT in respect of their farming business through their periodic VAT return, subject to the rules on deductibility. Farmers should consider whether they are an accountable person in respect of VAT before making any claim under the Order.

Farmers registered for VAT solely for intra-community acquisitions (ICAs) may reclaim VAT under the Order in the same way as non-VAT registered flat-rate farmers.

2. What VAT is refundable under the Order?

The amount of VAT refundable is solely the amount incurred on expenditure on:

(a) the construction, extension, alteration or reconstruction of that part of the building or structure which was designed solely for the purposes of a farming business and has actually been put to use in such a business carried on by him or her (paragraph 5),

(b) the fencing, drainage or reclamation of any land which has actually been put to use in such a business carried on by him or her (paragraph 6), or

(c) the construction, erection or installation of qualifying equipment for the purpose of micro-generation of electricity for use solely or mainly in his or her farming business (paragraph 7.1).

The building, structure, land, or qualifying equipment must be used in their farming business for a period of not less than one year commencing on the date the VAT was incurred.

A claim for a VAT refund can only be made for an amount of VAT of €125 or more.

3. What is not allowed under the Order?

Only the costs listed in paragraph 2 are refundable under the order. All other costs (such as machinery, equipment, or vehicles), non-farming business costs and personal expenditure are not refundable under the order. The following is a list of expenditure where the VAT is not refundable (the list is not exhaustive).

- Astro turf,
- Broadband routers and receivers,
- Clothing,
- Computers, hardware and software systems,
- Electric or heating supplies and supplies of fuel, oil, diesel and any other supplies of energy or energy products (e.g., woodchips),
- Farm machinery and equipment including food processing equipment (see paragraph 5),
- Fertilizer[1],
- First aid cabinets.
- Furniture,
- Grass mats,
- Land rental,
- Medicines[2],
- Safety equipment,
- Silage bags / wraps,
- Security monitoring systems,
- Windbreakers.

Further details of items allowable and not allowable under the order are provided under each of the specific categories covered under the order.

- See paragraph 5 for the construction, extension, alteration or reconstruction of farm buildings or structure including fixtures, fittings, non-refundable costs, and repairs.
- See paragraph 6 for fencing, draining and reclamation of farmland.
- See paragraph 7 for the construction, erection or installation of qualifying equipment for the purpose of micro-generation of electricity.

4. Conditions

Claimants must establish that they are a qualifying person under the order and meet the following conditions:

- They must be a flat rate farmer,
- Produce the relevant invoices, receipts and other documents showing the amount of VAT incurred,
- If requested, produce plans, specifications, other documentary evidence,
- Comply with all relevant tax obligations.

[1] The zero rate applies to certain fertiliser which are supplied in units of not less than 10 kilos.
[2] Oral medicines for animals are zero rated apart from those for domestic pets. Non-oral medicines for animals are standard rated.

4.1 How to make a claim for a VAT refund

Claims for VAT refunds are made online through the eRepayment portal on Revenue Online Service (ROS) or myAccount.

4.2 Period for claims

Claims for refunds of VAT can be made at any time of the year. However, applications must be submitted within four years from the end of the taxable period to which the claim relates.

Flat-rate farmers can submit a claim online at any time provided the claims are:

- not older than four years,
- for a calendar year or a period within a calendar year,
- for an amount of VAT of €125 or more.

A calendar year runs from 1 January to 31 December. A claim cannot be made for periods of more than 1 calendar year. Where claims cover construction projects that run across more than one calendar year, claimants will need to submit a separate claim for each year for which invoices issued.

4.3 Information and record-keeping

When making a refund request, the following supporting documentation must be provided:

- Invoices,
- Receipts for VAT paid on importation of goods.

The invoices and receipts for imports must show the VAT incurred.

All invoices must contain at least the following information:

- Date of issue of the invoice,
- A unique sequential number,
- The name and address and VAT registration of the supplier,
- The name and address of the customer,
- A detailed description of the individual goods and services supplied,
- The unit price and total cost of the individual good or service,
- The rate of VAT,
- The VAT charged.

Refunds will not be made on the basis of delivery dockets, statements, quotations, advice notes, receipts, or any other document which is not a VAT invoice (other than customs receipts for imports).

General descriptions on invoices such as “miscellaneous hardware” will not be accepted.

Revenue may also seek further documentation such as:

- Plans,
- Specifications,
- Documentary evidence to demonstrate the works carried out including photos,
- Detailed description of works carried out,
- Contracts.

When making a claim for refund under the Order, the farmer must be able to demonstrate to the satisfaction of Revenue that the expenditure has actually been put to use solely in their farming business.

4.4 Tax compliance

The farmer must be compliant with all other taxes (income tax, corporate taxes, capital gains tax etc.) and must have all relevant tax returns filed with Revenue.

In the case of partnerships, all partners must be compliant with all other taxes (income tax, corporate taxes, capital gains tax, etc.) and must have all relevant tax returns filed with Revenue.

5 Construction, extension, alteration or reconstruction of farm buildings or structures

It is expected that claims will be for the construction, extension, alteration or reconstruction of farm buildings or structures. These are services typically taxed at the reduced of VAT, subject to the two-thirds rule. For self-builds, it is expected that claims should evidence the construction, extension, alteration or reconstruction of a farm building or structure.

Farm buildings are buildings that are fixed to or in the ground which cannot be easily dismantled or moved. Farming structures are not typically buildings but are manmade structures that are fixed to or in the ground which cannot be easily dismantled or moved. They are used for farming activity such as the housing of animals or the storage of agricultural produce and farm equipment.

Generally, buildings and structures are not easily dismantled or moved without considerable effort, cost and substantial damage or destruction of the building or structure. In most cases, it will be clear whether a claim is for the construction, extension, alteration or reconstruction of a farm building or structure however, where there is difficulty, the following factors will be considered:

- The architectural characteristics normally associated with buildings and structures:
    - degree of permanence (e.g., expected to last an extended period),
    - intended function / use (e.g., shelter, storage),
    - form,
    - design,
    - materials used in its construction (e.g., wood, steel, concrete, brick),
    - size or scale.
- The cost of dismantling or moving the building / structure.
- The time required to dismantle or move the building / structure.
- Whether the dismantling or movement would destroy or significantly reduce the value of the building or structure.

In all cases, the building or structure must be designed solely for the purposes of a farming business and actually put to use in such a business carried on by the claimant.

Examples of farm buildings include:

- Barns / lean to sheds,
- Brooder houses,
- Poultry housing,
- Cow / calf sheds,
- Cubicle Sheds,
- Slatted sheds,
- Parlour sheds,
- Stables for horses used for breeding & stock-minding,
- Piggery sheds.

Examples of farming structures include:

- Cattle grids,
- Concrete paths adjacent to farm buildings,
- Farm roads,
- Farmyards,
- Silage pits,
- Silos (see paragraph 5.1),
- Slatted tanks,
- Turnout / All-weather paddocks,
- Underpasses,
- Wells – servicing farms.

Where roads or wells service both the farm business and farm dwelling (residence), apportionment will be applied on a 50-50 basis where usage cannot be accurately determined.

There are a number of farming products that may be considered structures. These items range in function, form, design, materials, and size and are evaluated on a case-by-case basis, with consideration being given to the criteria above. Such items include silo feed bins, silo milk tanks, slurry pits / slurry tanks and trough / water trough systems.

5.1 Silos

In general, silos are considered a farm structure. Typically, they are a tall structure, cylindrical in shape, set on a concrete base, permanently bolted, or fixed to the ground, and made from metal. They are used to store grain, or other materials. It is expected that in most cases, it will be clear that the product is a silo and therefore qualifying under the order. However, there are some products that come in various forms and sizes such as feed bins and milk tanks and are not considered structures for the purposes of the refund order.

5.1.1 Silo Feed / Meal bins

Feed / meal bins come in various shapes and sizes. Silo feed / meal bins are bulk animal feed storage structures which may qualify under the order.

Silo feed / meal bins are typically made of steel, are cylindrical in shape, placed on elevated platforms / legs, fixed to a concrete base and can vary in size depending on the amount of feed they are intended to store (e.g., 3, 6, 10, 12, 45, 50 tonnes).

Feed / meal bins that qualify under the order are those which are silos (e.g., elevated on a platform / legs which are permanently installed on a thick concrete base and bolted to the base. Claimants may need to provide the description and dimensions of the silo feed / meal bin and provide photographic evidence of the structure.

The term “feed or meal bins” is also used to describe portable / moveable containers and buckets which hold feed for animals. Such feed or meal bins are not refundable under the order.

5.1.2 Milk silos

Milk silos are large, vertical external storage structures designed to hold and preserve large quantities of milk. Milk silos are typically tall, permanent, cylindrical in shape, and made of stainless steel.

Milk silos come in varying sizes and storage capacity and are installed on a thick concrete foundation. Milk silos are refundable under the order. Costs related to installing or connecting the silo to the milk parlour (such as a recessed alcove cut into the side wall of the building) are also refundable.

Claimants will need to provide the description and dimensions of the milk silo and provide photographic evidence of the structure. Details of any planning permissions

or exemptions should be provided where applicable. Milk tanks that are portable or mobile are not refundable under the order (e.g. transport tanks). For non-silo milk tanks that are not portable or mobile, please see paragraph 5.9.2.3.

5.2 Slurry Tank / Slurry Pit

A number of solutions to the storage of manure are available to farmers. Slurry pits or tanks are structures where manure is stored together with other unusable organic matter, such as hay and water run-off from wash-down areas in farm buildings.

Slurry tanks are typically circular in shape and made of steel or concrete and fitted on a concrete base. In order to qualify as a structure for refund under the order, tanks must be fitted on a concrete base.

A slurry pit is typically rectangular in shape and is installed below ground. Slurry pits are usually constructed with impermeable liners or clay to prevent seepage. Slurry pits are refundable under the order. Slurry pits can be made with concrete ground works and shutterings / slabs. These are also considered structures and are refundable under the order.

Slurry bags are not considered structures and are not refundable under the order.

Mobile slurry tankers used to spread the fertiliser are also not refundable under the order.

5.3 Outdoor Water Trough Systems

Outdoor water trough systems provide a constant flow of fresh water removing the need for manual refilling. Water is piped from a water source (well or local supply) using a series of pipes, valves, and connectors. The pipes are often buried underground to protect against damage from weather, machinery, and animals. Large water troughs are installed at intervals to provide water for drinking by the cattle.

Outdoor water trough systems are refundable under the order. Troughs must be made of concrete to qualify for refund under the order. Troughs made from plastic are not allowable under the order.

5.4 Information required for claims for buildings and structures

Claimants may be required to provide the following information to support their refund claims:

- description and dimensions of the items,
- details of any planning permissions or exemptions provided (if applicable), and
- provide photos of the building or structure.

Any claim should provide an itemised breakdown of the item and the installation costs. Further information may be required depending on the nature of the product and costs claimed.

5.5 Construction costs and other costs allowed under the Order

Expenditure on the construction, extension, alteration or reconstruction of farm buildings or structures includes expenditure on (not an exhaustive list):

- Construction / building services,
- Corrugated Sheets,
- Electrical infrastructure,
- General building materials (such as bricks, cement, concrete, columns, beams),
- Tool Hire,
- Machinery Hire,
- Plumbing infrastructure,
- Site Clearance works including skip hire,
- Steel frames and steel for foundation works.

Ancillary costs of construction (e.g., archaeology fees, architect fees, planning fees) will be considered for refund once the building project has commenced.

Invoices should clearly outline the costs incurred.

5.6 Buildings and structures not covered by the Order

A number of buildings and structures are not covered by the order. In addition, a farm building or structure does not include residential, other types of commercial buildings or buildings / structures used for pets.

Examples include, but are not limited to:

- Farm Dwellings,
- Log cabins,
- Mobile Homes,
- Outbuildings not being used for farming purposes (accommodation/rental),
- Portacabins,
- Stables, gallops, arenas, walkers, lungers used for hobby activity,
- Steel Shed structures,
- Shipping Containers.

5.7 Equipment and other non-allowable costs

Expenditure on the construction, extension, alteration or reconstruction of farm buildings or structures does not include expenditure on farming equipment or machinery unless the expenditure comes within section 5.9.2 below. Mobile or

moveable farm equipment and machinery are not allowed under the order. Merely fixing, attaching, or bolting a piece of equipment or machinery to a building does not qualify it for refund under the order.

VAT on expenditure not covered includes, but is not limited to:

- Building tools purchase,
- Building machinery purchase,
- Decorative stone and paving stone,
- Gardening equipment,
- Utility costs during construction.

5.8 Repairs and maintenance

VAT incurred on repairs or maintenance are not refundable under the order. However, the alteration or reconstruction of a building or structure is refundable under the order.

For example, alterations to or reconstruction of walls and roofs are allowed under the order. However, repairs to equipment or machinery and other costs not related to the building or structure are not allowed under the order.

5.9 Fixtures and fittings

In the case of the refund order, specific rules apply to fixtures and fittings to ensure that the VAT reclaimed relates to the construction, extension, alteration or reconstruction of a building or structure which is designed solely for the purposes of a farming business and has actually been put to use in such a business carried on by the farmer.

Fixtures are goods which have become closely linked to or integrated into a building in such a way that they cannot be removed without substantial damage or significant alteration being caused to the goods themselves or to the building or construction to which they are installed.

A fixture fixed in position and ready for use in a building or structure may be considered an integral part of the building or construction where it contributes to making the building or construction complete according to the features ordinarily associated with a building or construction and according to the function to be given to that building or construction.

Fittings are goods that, though often attached to buildings, can be removed without substantial damage or significant alteration being caused to the goods themselves or to the building to which they are attached. Fittings that are merely attached (e.g. bolted to the ground or wall) to a farm building do not qualify for a refund of VAT under the order.

5.9.1 Installation of fixtures and fittings

Generally, VAT incurred on the purchase of goods (such as farm equipment and machinery) are not covered by the refund order. However, where the installation of a good is considered a fixture, the corresponding VAT incurred may be allowed. Installations of fittings are not refundable under the order.

Claimants are encouraged to provide supporting documentation, photos, detailed description of works carried out to the building or structure to allow for the installation of fixtures and any contracts associated with same when submitting their claims. Each claim will be assessed on its own merits. See paragraph 5.9.2 for further information on equipment and machinery.

Examples of items covered by the order include:

- Animal Mats (fixed) (see para 5.9.1.1),
- Connection to power Grid,
- Crushes (fixed),
- Cubicles,
- Drafting gates (see para 5.9.1.2),
- Drainage systems,
- Doors,
- Electrical wiring,
- Feed barriers / rails,
- Fixed ladders or walkways,
- Gutters,
- Handrails,
- Heating systems,
- Heat/smoke detection/alarm systems,
- Sewage systems (e.g., plumbing),
- Shuttering,
- Slatted Pens,
- Steps,
- Ventilation systems,
- Water pipes,
- Windows.

5.9.1.1 Animal mats (fixed)

There are several types of animal mats available on the market (e.g., cubicle mats, slat mats). Mats can be used to soften the lying surface of the animals so as to reduce the risk of injury and pressure sores. Mats are used as flooring within the farm building and are available in various materials and formats.

Mats can be fixed using adhesive, interlocking systems, or anchor bolts. Only mats which are fixed using adhesive, concrete, nails or anchor bolts are deemed a fixture,

and can be refunded under the order. Examples include cubicle mats and slatted mats. Slat mats claw pinned within the slat are also allowable.

Interlocking mats (modular cow mats) can be removed without destruction of the mat and do not qualify under the order. However, if the interlocking mats are bolted to the floor, then the VAT may be refunded.

5.9.1.2 Drafting gates in or adjacent to milk parlours

Drafting gates form part of the building (e.g., milk parlour) and are used to help manage the flow of cows in milk parlours.

Drafting gates are refundable under the order. The adjoining pen is also refundable under the order. However, where the drafting gates are operated remotely by computer systems, outlay on the identification tags and the computer system (hardware and software) are not refunded under the order.

5.9.2 Installation of farming equipment and machinery

Farm equipment and machinery perform a specific function or purpose but their location in a building does not necessarily imply that they are a fixture even if they are bolted to the ground / on or in a farm building or structure. Goods that are merely attached (e.g., bolted to the ground or wall) to a farm building are considered fittings and do not qualify under the order. Apart from qualifying equipment (see section 8), VAT incurred on the purchase of farming equipment or machinery is not covered by the refund order.

However, where the installation of farming equipment or machinery requires the construction, reconstruction, or alteration of a farm building, the corresponding VAT may be allowed in certain circumstances.

To qualify under the order, the farming equipment or machinery must be permanently installed in a newly constructed/altered or extended farm building and once installed, cannot be removed without causing significant alteration, substantial damage, or destruction to the farm building or to the equipment or machinery itself.

The impact of the alteration, damage, or destruction caused includes the part of the building the equipment or machinery is installed on and other parts of the building that could be impacted by its removal. Minor changes such as items nailed, screwed, or bolted to the building walls or floor would not be considered an alteration for the purposes of the order.

Revenue will consider the effort, time, cost, and impact on the equipment itself to determine if there is significant alteration, substantial damage or destruction of the farm building or structure or to the equipment itself. Each repayment claim is assessed on its own merits. Equipment that can be removed and re-sold intact and used for its original purpose will not be eligible for a refund. Mobile equipment or machinery is not refundable under the order.

Whether the equipment or machinery is considered a fixture and falls within the order is dependent on the following factors:

1. Does the expenditure constitute the construction, extension, alteration or reconstruction of a farm buildings or structures?
2. Does the equipment or machinery that is installed as part of the works necessitate that it is permanently installed in the farm building to the extent that it's removal would cause substantial damage or significant alteration being caused to the goods themselves or to the building or construction to which they are installed?
3. Is the expenditure solely for the purposes of the farming business?

5.9.2.1 Automatic scrapers / hydraulic scrapers

An automatic scraper system (hydraulic scraper) is used to remove manure and dirt from the shed floor. The system consists of a series of blades attached to a chain or cable that is driven by an electric motor. The scraper moves along predefined tracks or grooves on the floor, pushing the manure towards a collection pit. The automatic scraper system and wire rope scrapers are allowable under the order.

Robotic scrapers, however, move independently throughout farm buildings / yards on wheels, and are not integrated within the farm building. Robotic scrapers do not qualify under the order.

5.9.2.2 Milk machines and parlours

There are a range of milking machines available on the market. Robotic milking machines, in line milk parlours, herringbone milk parlours and rotary milking parlours are refundable under the order.

5.9.2.3 Milk tanks (non-silo)

A milk tank (non-silo) is a container used for storing milk. They are considered a piece of equipment rather than a structure. They are set on a concrete base and are enclosed in a walled structure or in a building (e.g., a dairy). Where they are installed as part of a new build or reconstruction of a farm building (e.g., dairy), the VAT incurred is refundable under the order.

5.9.3 Examples of farm equipment and machinery not allowed under the order.

Farming equipment not covered by the order includes (not exhaustive):

- Add-on milk points / clusters,
- Automatic calf feeders,
- Calving cameras,
- Cow brushes,
- Cow collars,

- Cow mats (not fixed),
- Dust cyclone / cyclone separators,
- Egg vending machines,
- Feed bins (excluding silo feed bins)[3],
- Heat and health monitoring systems,
- Milk vending machines,
- Pasteurisation tanks,
- Robotic scrapers,
- Security cameras,
- Slurry bags,
- Slurry spreaders,
- Yard scrapers.

Where equipment is not refundable under the order, any construction, re-construction or alteration work related to the installation of the equipment into the farm building or structure may be allowed (e.g., cost incurred in installing piping and electricals for an automatic calf feeder are allowed, however the calf feeder equipment is not allowed). Claimants should provide details of the works carried out, invoices and photographs.

VAT incurred on maintenance or repairs of equipment or machinery is not refundable under the order.

6. Fencing, draining and reclamation of farmland

Expenditure incurred on fencing, draining or reclamation of farmland is allowed under the order.

6.1 Fencing of farmland

Fences are used for many purposes on farmland, e.g., to contain livestock, to enclose crops, water areas, woodland, farm buildings, fields, or laneways. VAT incurred on expenditure on fencing used for the purpose of farming is refundable under the order. Fencing can be made of many types of material including wood, wire, and steel. Fencing can also be electrified. The fencing can be fixed or mobile / moveable.

Expenditure on fencing covered by the order includes:

- Ancillary equipment for fencing (e.g. Gap handles, pigtails, insulators, gate hangers),
- Batteries for electric fencing,
- Construction / Build service,
- Cement,
- Electric wiring,

[3] See paragraph 5.1.1 on Silo Feed Bins.

- Fencing installation costs,
- Gates,
- Hedgerow suitable for stock proofing,
- Mobile / moveable fences,
- Posts,
- Nails,
- Wiring.

Expenditure on fencing not allowable under the order includes:

- Batch latch gate release systems,
- Gripple tools,
- Mobile crushes,
- Phase testers,
- Tensioning tools,
- Tree/hedgerow plants outside of those suitable for stock proofing,
- Wire strainers.

Fencing for private, residential, or other commercial purposes is not allowed under the order, including the fencing of gardens or farm dwellings.

6.2 Draining and reclamation of farmland

VAT incurred on the draining and reclamation of farmland is refundable under the order.

Draining farmland involves draining water from wetlands or swampy land. Reclamation of farmland involves the clearing of waste or fallow from land, improving disused or unproductive land to productive use. It also involves creating new land from riverbed, lake beds. Draining and reclaiming farmland can also involve infilling, digging, dredging, draining, removal of sediment, debris, and other material. While the initial seeding of reclaimed land is refundable, any subsequent reseeding of land, once initially reclaimed, is not refundable. Reseeding for the purposes of change of land usage is not covered under the order.

Claimants should provide evidence of works, including photos in support of their claim. Claimant should also provide the folio number of the land subject to the reclamation and the acreage reclaimed.

VAT paid on the hire of machinery or equipment used for land reclamation and drainage is allowable under the order, however VAT on the purchase of such machinery is not allowable.

Expenditure on draining or reclaiming land for other purposes (such as residential or non-farming commercial purposes) is not refundable under the order.

7. Micro-generation of electricity

VAT incurred on the construction, extension, or installation of qualifying equipment for the purpose of micro-generation of electricity is refundable under the order where it is for use solely or mainly in the farming business.

Where the equipment is used for non-farming purposes (such as supplying electricity for sale to the grid), the VAT is not refundable. However, where the farmer uses the equipment for both farming and other non-farming purposes (e.g., residential), the VAT refund may be considered and must be apportioned between the farming and non-farming use.

7.1 Qualifying equipment for the purpose of micro-generation of electricity

Qualifying equipment refers to:

a) A wind turbine system,
b) A photo-voltaic system,
c) Equipment ancillary to the systems referred in a or b required for storage of electricity or connection to the grid.

The equipment must be named on the Triple E Product Register. In addition, the VAT on the equipment must have been incurred on or after 1 January 2012.

The Triple E Register is a public database maintained by the Sustainable Energy Authority of Ireland (SEAI) containing a list of products which comply with the energy efficiency criteria of the SEAI. The Triple E Register is available on the SEAI website.

8. Finance agreement

Where a claim is for a refund of VAT incurred in relation to expenditure financed under a finance agreement, a copy of the agreement, the invoice, and a schedule of the VAT payable from the financial institution is required in respect of the first claim. A schedule of the VAT payable is required for all subsequent claims.

9. Mandatory review period and repayments

A farmer who has received a refund of VAT under the Refund Order must carry out a review to establish whether the conditions relating to entitlement to a refund have been met.

The review period is one year from the date the VAT was incurred. The review must take place on or before the review date (28th day following the end of the review period). The farmer should retain a record of the review.

A farmer who has received a repayment under the Refund Order will be liable to repay the VAT to Revenue plus interest where they:

a) disposed of the building or structure, or the land or the qualifying equipment

or

b) used the building or structure or the land or the qualifying equipment mainly for purposes other than a farming business.

Failure to repay the refunded amount and interest to Revenue by the review date, may result in penalties being applied.

Where a VAT refund has been received by a farmer and it subsequently becomes clear to Revenue that details of the claim giving rise to the refund were incorrect, the conditions of the Order shall be regarded as not having been fulfilled and the claimant shall be required to repay all or part of the refund, as appropriate, to Revenue.