

# Value Added Tax Payments and Returns 2025



## Gross VAT Receipts

€31.3bn

(+4.7%)



## Net VAT Receipts

€23.0bn

(+5.1%)

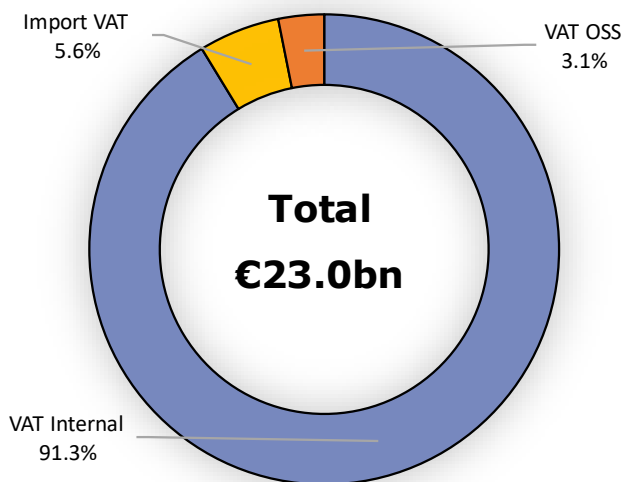


## VAT Repayments

€8.2bn

(+4.0%)

## Sectoral Breakdown



## VAT Registrations 2025



### All Registrations

291,411



### New in 2025

26,023



### Ceased in 2025

21,215

## Largest VAT Receipts by Economic Sector



### Wholesale & Retail

€8.5bn

↑ 2%



### Professional, Scientific & Technical

€3.0bn

↑ 4%



### Information and Communication

€1.6bn

↑ 31%



### Manufacturing

€1.4bn

↑ 7%

## Key Findings

Value Added Tax (VAT) is the third largest tax head, representing 21 per cent of net tax receipts in 2025. The majority of VAT receipts are from Internal VAT which totalled €21.0 billion in 2025. Internal VAT repayments, the largest repayment across all tax heads, totalled €8.2 billion.

Net receipts of €23.0 billion were collected in 2025, an increase of €1.1 billion (5.1 per cent) when compared with 2024.

The Wholesale and Retail Trade sector (€8.5 billion) was the largest contributor to internal VAT receipts, followed by Professional, Scientific and Technical (€3.0 billion) and Information and Communication (€1.7 billion) sectors in 2025.

Taxpayers in Revenue's Large Corporates Division, which has responsibility for managing the tax affairs of the largest taxpayers in the State, accounted for 27 per cent of payments and 30 per cent of repayments in 2025, while accounting for 0.3 per cent of VAT traders making payments.

VAT registrations increased by 2.0 per cent in the year to end 2025, while active VAT traders (those who submitted a return) also increased by 2.0 per cent in 2025.

## Commentary

In summary, VAT receipts increased to €23.0 billion in 2025, representing a 5.1% growth over the previous year, although this reflects a slower pace of expansion than 2024. While the rate of inflation remained relatively stable at an annual average of 2.2% in the year to end-2025, consumer spending began to moderate in the second half of the year, directly impacting the momentum of these tax collections.

The average value of a VAT repayment claim decreased slightly in 2025 when compared with 2024 but continues to be relatively high when compared with prior years; this persists as a reflection of the significant input costs incurred by traders during these periods. This trend is particularly evident in sectors like hospitality, where businesses faced sharp declines in revenue alongside high operational and payroll costs.

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Further statistical data on VAT can be found here:

<https://www.revenue.ie/en/corporate/information-about-revenue/statistics/vat/index.aspx>

Previous annual reports on VAT can be found here:

<https://www.revenue.ie/en/corporate/information-about-revenue/statistics/vat/research-reports/index.aspx>

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# 1 Introduction

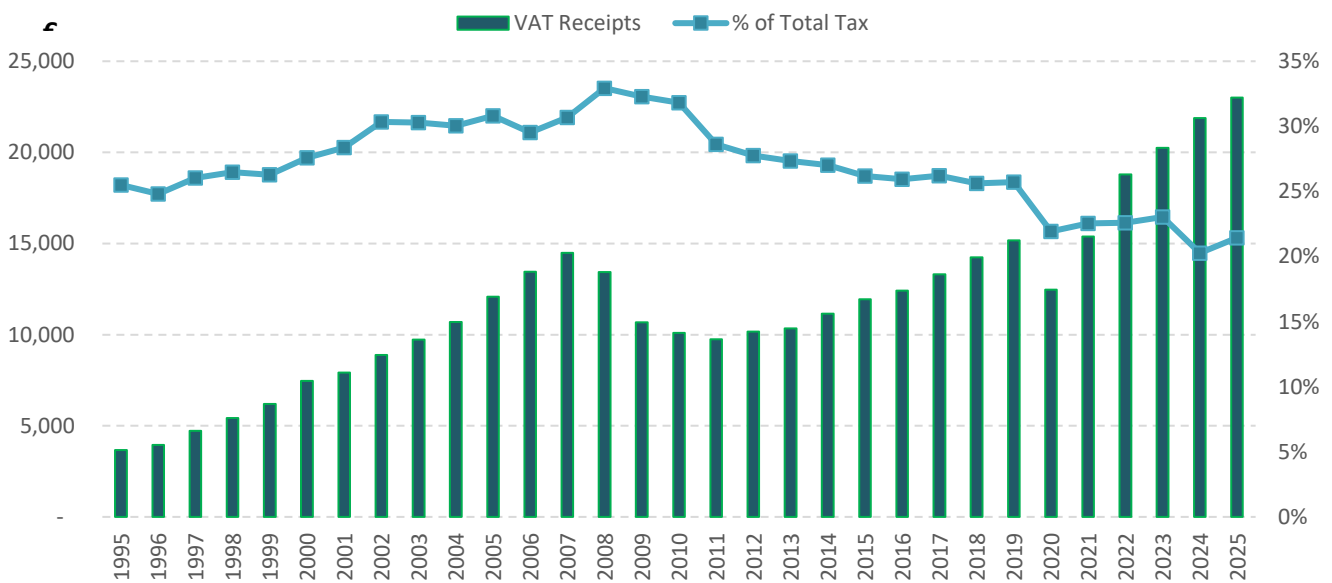
Value Added Tax (VAT) is a tax on consumer spending introduced in 1972 on Ireland's accession to the European Economic Community. VAT is the third largest source of tax receipts in the State (after Income Tax and Corporation Tax), with €23.0 billion in net receipts transferred to the Exchequer in 2025.

As shown in Figure 1, VAT receipts grew by an average of 7 per cent per year from 2013 to 2019. In 2020, receipts declined by €2.7 billion (18 per cent) relative to 2019, reflecting the economic impact of COVID-19 and associated public health measures. Receipts rebounded strongly in 2021 and 2022, increasing by 23 per cent and 22 per cent, respectively—the highest consecutive year-on-year growth rates on record. The primary drivers of the 2022 growth were the return to normal trading and strong inflation—particularly in fuel and energy—resulting in higher prices across most goods and services. In 2023 and 2024, year-on-year growth of approximately 8 per cent in each year broadly resumed the pre-pandemic trend. In 2025, receipts rose by just over 5 per cent compared to 2024.

The proportion of VAT to total tax receipts is 21 per cent in 2025, its second lowest level on record due to high Corporation Tax receipts during 2025.

This report profiles VAT based on the data available to Revenue with a focus on developments in 2025.<sup>1</sup> Section 2 gives an overview of the tax. Sections 3 and 4 analyse receipts and repayments respectively. Section 5 reviews trader and tax return information.

Figure 1: VAT Receipts



Source: Revenue analysis.

<sup>1</sup> Similar reports for earlier years are published at <https://www.revenue.ie/en/corporate/information-about-revenue/research/research-reports/excise-and-vat.aspx>.

## 2 VAT Overview

Ireland operated five VAT rates in 2025: a standard rate (23%), two reduced rates (13.5% and 9%), a livestock rate (4.8%) and a zero rate. In addition, certain economic activities including financial services, health, education, public transport, sporting events and water supplies are VAT exempt activities.

VAT rates may change as a result of discretionary policy measures, for example to support businesses and consumers. A significant component of expenditure including hospitality (accommodation and catering services), hairdressing and theatres, originally at the 13.5% rate, reverted to the second reduced rate of 9% from 1 November 2020. This measure has been extended several times and remained in place until 31 August 2023 after which these services were subject to the 13.5% rate.

In 2022, as a response to energy and fuel price inflation as a result of post-pandemic demand and the outbreak of war in Ukraine, the Government reduced VAT on electricity and gas supply temporarily for a period of six months beginning 1 May 2022. This reduced rate remains in place until 31 December 2030 as announced in Budget 2026.

VAT on the sale of new apartments was also reduced to 9% from 13.5% from 8 October 2025 until 31 December 2030 in Budget 2026.

### 2.1 Seasonality

VAT receipts demonstrate a high degree of seasonality, with most VAT returns filed on a two-monthly basis. For example, receipts received with returns filed in January largely relate to the November/December liability period (traditionally the time of year with the highest consumer spending – as illustrated in Table 1). In 2025 this return period accounted for over 19 per cent of VAT receipts.

**Table 1: Net VAT Position by VAT Return Period in 2025**

VAT Return Period	Net Receipts €m	2025 vs 2024 (% Difference)
Nov-Dec 2024	4,430	6%
Jan-Feb 2025	3,382	6%
Mar-Apr 2025	3,679	5%
May-Jun 2025	3,598	1%
Jul-Aug 2025	3,975	5%
Sep-Oct 2025	3,937	8%

Source: Revenue analysis.

Some of the main items in the VAT Base 2025 are presented in Table 2. These items accounted for around 51 per cent of VAT base expenditure but only 45 per cent of VAT receipts, as a result of expenditure on zero rated items such as food and medicines.

The figures in Table 2 are derived from CSO estimates of Personal Consumption Expenditure (PCE) used in combination with tax return information and other third-party information sources to compile an estimate of total expenditure across a number of key activities (important items of consumption where significant VAT is generated).

Revenue undertakes an annual assessment of the VAT base to support its activities in policy costings and addressing queries. This estimation process is important for forecasting VAT-related revenues and evaluating the potential impacts of policy changes on different sectors of the economy. The VAT base analysis also helps identify trends in consumer spending and identify shifts in economic activities driving VAT receipts, enabling better-informed fiscal decisions.

**Table 2: VAT Base 2025 – Main Expenditure Areas**

Product	Estimated Expenditure €m (VAT Excl.)	Estimated Expenditure %	VAT Yield €m
Restaurants, Canteens, Chip Shops, Fast Food, etc.	14,991	10.8	2,024
Food (Zero Rated)	8,536	6.2	0
Alcohol	7,378	5.3	1,697
Private New Housing	6,975	5.0	941
Social Housing (New)	5,461	3.9	737
Cars	5,195	3.7	1,195
Private Housing - Repair & Maintenance	4,943	3.6	667
Motor Fuel	3,735	2.7	859
Cosmetics	3,365	2.4	774
Oral Medicine	3,287	2.4	0
Accommodation	2,999	2.2	405
Telecommunications	2,375	1.7	546
Furniture, Carpets and Floor Covering	1,972	1.4	454

Source: Revenue analysis of Revenue and CSO data.

Note: Compiled in 2024 for 2025, figures in line with the Pre and Post Budget 2025 Ready Reckoner.

### Box 1: VAT Own Resources Statement

Own Resources (OR) is one of the mechanisms through which the EU receives its funding from Member States. The Irish VAT OR liability is calculated at 0.3 per cent of the harmonised VAT base each year and comprises approximately 11 per cent of Ireland's total contribution to the EU Budget. The legislative basis for VAT OR is Council Regulation 1553/89.

The harmonised VAT base is derived by combining net VAT receipts with the Weighted Average Rate (WAR) of VAT. The WAR, compiled by the Central Statistics Office's National Accounts Division, is based on key economic indicators such as Personal Consumption Expenditure, Intermediate Consumption, and Gross Fixed Capital Formation by the Government and other exempt sectors. The weighting reflects the relative magnitude of the VAT base across different VAT rates.

The VAT Own Resources system was simplified under the EU's long-term budget for 2021–2027 to ease the administrative burden on both Member States and the European Commission. For this period, the Weighted Average Rate from 2016 will apply consistently, replacing the previous method that required adjustments to the VAT base to account for national derogations and exemptions. Exceptions to this simplification remain in cases involving infringements of the VAT Directive or those with specific territorial scope.

Ireland's VAT OR account for 2024 reveals a final base figure of €135.0 billion, representing the VAT-exclusive value of goods and services consumed by final consumers taxable under the EU VAT directive. This marks an increase of just over €10 billion compared to 2023 (€124.9 billion)

#### VAT OR Account 2024

	€ Million
VAT Receipts	21,880
Unallocated Tax Deposits/ VAT Repayments not within scope of VAT Directive	136
Interest and Penalties	-25
Net Receipts	21,991
Total Corrections	0
Corrected Net Receipts	21,991
Multiannual Weighted Average Rate (%)	16.2875%
<b>Final uncapped VAT own resource base</b>	<b>135,018</b>

Source: Revenue analysis.

### 3.1 Composition of Receipts

Ireland collects VAT from three main sources. These are summarised below, and subsequent sections of the report provide further detail on each source.

The largest portion of VAT (€21 billion or 91.3 per cent of net receipts in 2025) is collected by traders on the value of goods and services supplied to their customers. This is adjusted to account for any VAT incurred on the businesses' input costs. This is referred to as **Internal VAT** and the trader submits this liability on their VAT3 periodic tax return. However, traders are not required to provide a breakdown of VAT by type of good or service, or by VAT rate in their periodic VAT return.

The second largest portion is VAT collected on imported goods from third countries (i.e., non-EU countries) and on EU excise products, **VAT on imports** accounted for €1.3 billion or 5.6 per cent of receipts in 2025. Historically, it is more volatile than internal VAT, with larger changes across years. Third country imports differ from intra-community acquisitions, as the latter do not incur VAT at importation. Traders are required to account for Irish VAT that would have been incurred on these goods through the reverse charge mechanism.

In 2021, Postponed Accounting for VAT on third country imports was introduced and made available to all traders. This was partly in response to the UK's exit from the EU to assist businesses with their cash flow. The VAT liability incurred on such imports is accounted for through the reverse charge mechanism on the VAT3 return and subsequently classified as Internal VAT. In the region of €6.8 billion in VAT liabilities (on €32 billion worth of goods) was declared in 2025 using the postponed VAT accounting mechanism while almost €977 million in VAT (€7.8 billion worth of goods) was paid on Third Country Imports in 2025. A further €358 million in VAT was collected on EU excisable products in 2025. The implementation of Postponed Accounting has led to a decrease in the proportion of VAT on imports within total VAT revenues since its introduction in 2021.

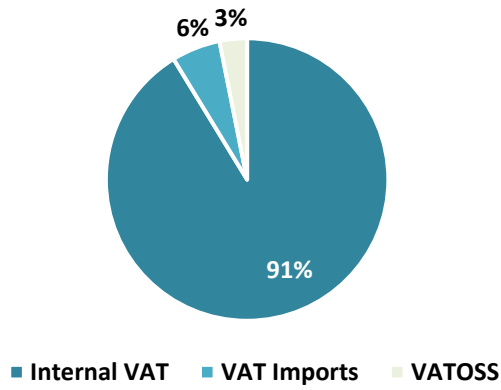
The third portion is VAT collected through the One Stop Shop (OSS) schemes and Import OSS (IOSS). **VAT OSS/IOSS** accounted for €723 million or 3.1 per cent of receipts in 2025.<sup>2</sup> The OSS allows a supplier of telecommunications, broadcasting and electronic (TBE) services to register, file a quarterly return and pay VAT in its chosen EU Member State. The supplier avoids having to register and account for VAT in all Member States to which they make TBE supplies. The IOSS allows a taxable person to register in a single Member State to declare and pay all European Union VAT due on imported goods within the scope of the IOSS. It took effect from 1 July 2021. Where the IOSS is availed of, the import VAT due on these supplies is not collected by Customs at the time of importation of the goods, it is instead remitted through a monthly IOSS return.

Figure 2 - 4 show the breakdowns of receipts by source and their growth patterns.

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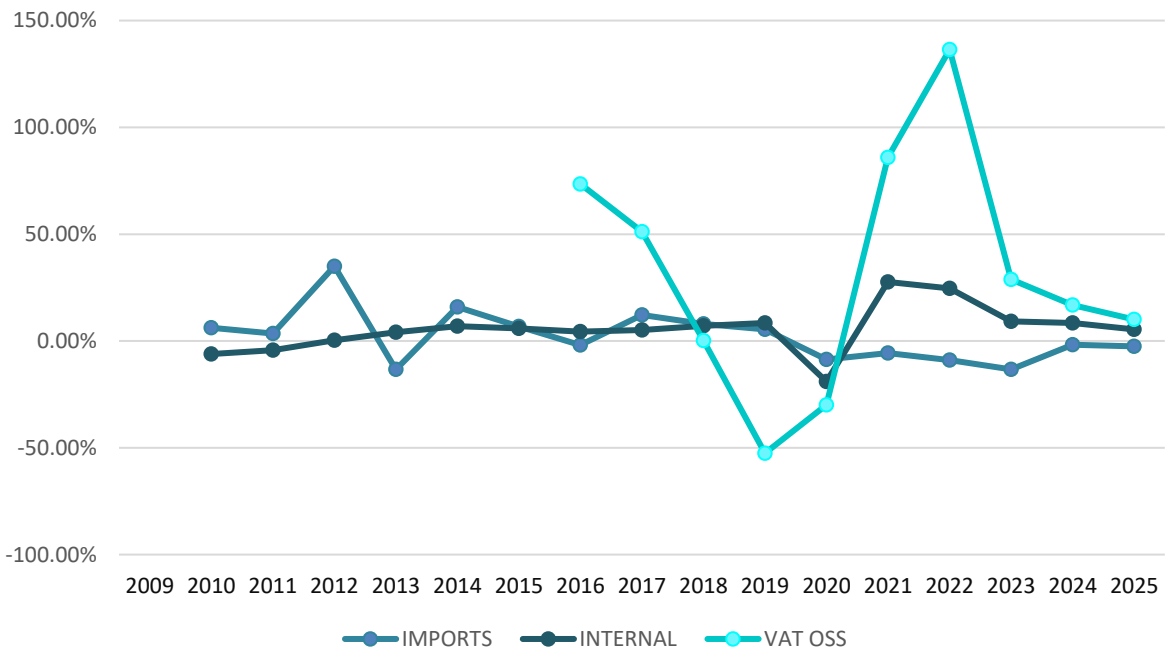
<sup>2</sup> Receipts from VAT OSS/IOSS are not separately recorded in Revenue's Annual Report (Table 2: Total Net Receipts), instead they are included in the figure for Internal VAT.

**Figure 2: Composition of VAT Receipts 2025**



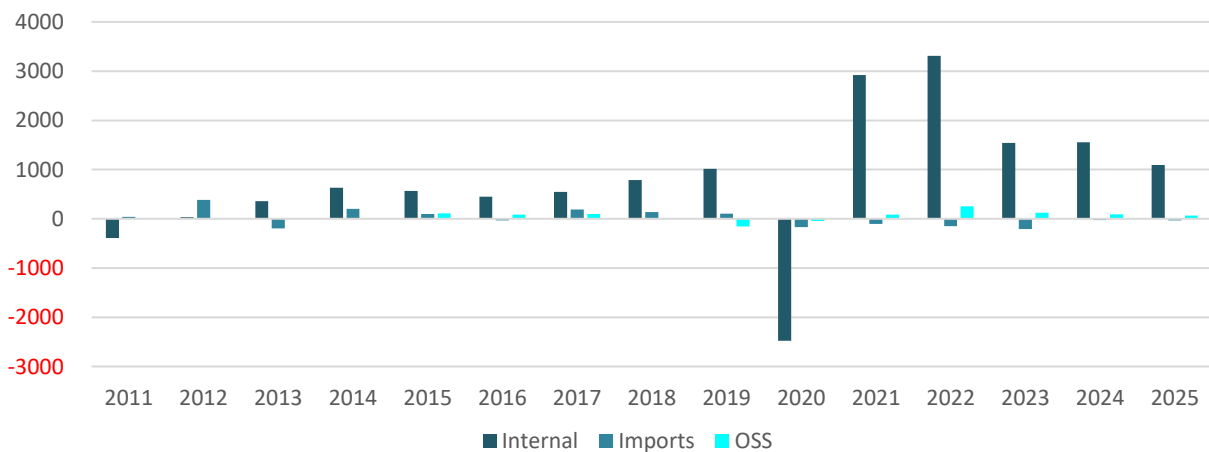
Source: Revenue analysis.

**Figure 3: Annual Percentage Change in Receipts by Source**



Source: Revenue analysis.

**Figure 4: Contributions to Annual Change in Receipts by Source**



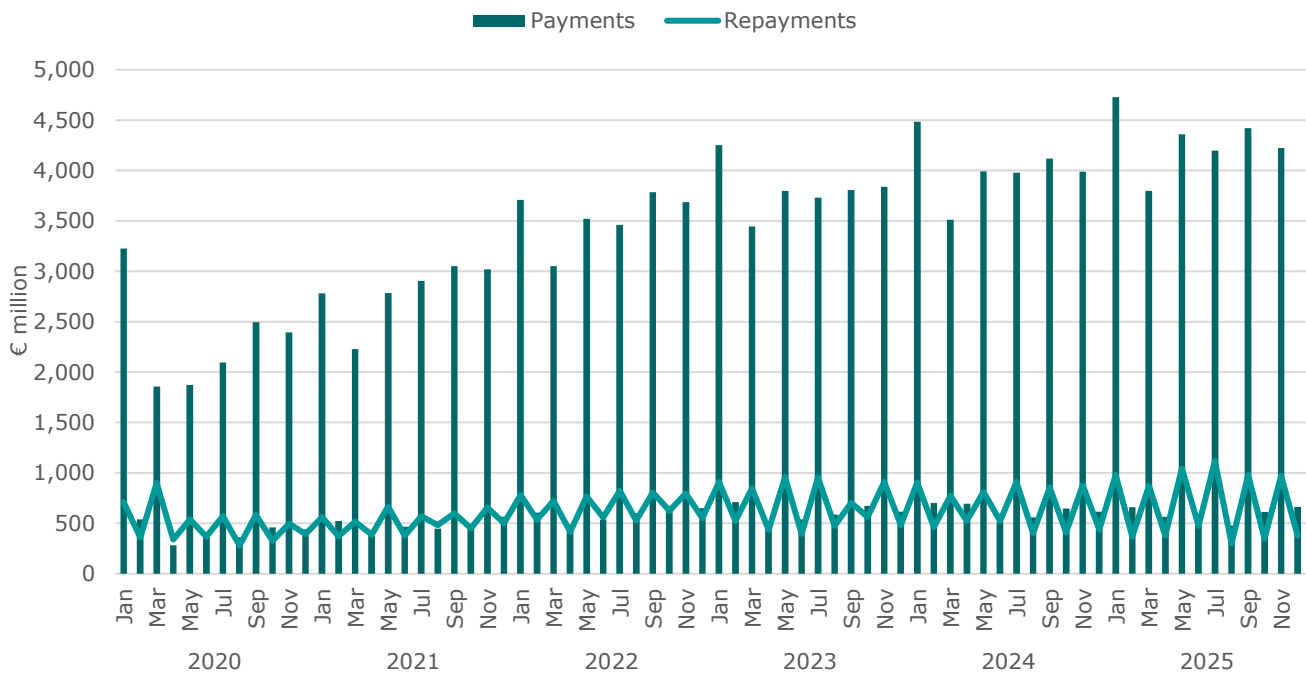
Source: Revenue analysis.

### 3.2 Internal VAT

Figure 5 shows internal VAT receipts by month, split into gross receipts and repayments. Seasonal patterns (discussed previously in Section 2.1) are evident, with peaks each January. The impact of two-monthly filing on net receipts is clear, with negligible receipts in non-due months (where two-monthly VAT3 returns are not due).

Repayments are less impacted by seasonality or timing issues, with their amounts more stable month on month (repayments are discussed further in Section 4).

**Figure 5: Internal VAT Receipts <sup>3</sup>**



Source: Revenue analysis.

### 3.3 VAT on Imports

VAT on imports is divided into two main categories: VAT on Third Country Imports and VAT on EU excise products. The second category includes VAT on Excise Duty Entry (EDE) used by traders to declare and pay Excise Duty on products acquired from other EU Member States and on ex-warehouse goods. For products stored in a tax warehouse (also referred to as an excise or bonded warehouse, commonly used for goods like alcohol), the VAT becomes payable when the product exits the warehouse. The bulk of this VAT arises from VAT collected on Third Country Imports.

In addition to the main categories described above, the total VAT figure also incorporates VAT refunds (which reduce the net total) and a small volume of VAT collected on vehicles at NCT centres. The full breakdown of input sources is shown in Table 3.

<sup>3</sup> Receipts for periods from 2021 onwards include VAT on imports where traders availed of Postponed Accounting and included VAT on Imports on their VAT3 returns.

**Table 3: VAT on Imports (input sources)**

VAT Source	2021	2022	2023	2024	2025
VAT Refunds	-29	-31	-35	-39	-40
VAT on Third Country Imports	1,369	1,213	1,015	1,001	977
VAT on EU Excise Products	381	374	371	365	358
VAT on Vehicles (NCT centres)	3	2	2	3	2
<b>Total VAT on Imports collected</b>	<b>1,698</b>	<b>1,544</b>	<b>1,342</b>	<b>1,318</b>	<b>1,285</b>

Source: Revenue analysis.

The VAT rate that is charged on imports is dependent on the type of goods imported and their intended use. For example, pharmaceuticals and food attract a zero rate of VAT, as do goods that are not for home consumption (i.e., to be processed and exported out of the EU). The tables below provide details of the value of goods and the VAT rates applicable to VAT paid on Third Country Imports.

**Table 4: Value of Goods and VAT paid on Third Country Imports**

VAT Rate (%)	Value of Goods €m				
	2021**	2022	2023	2024	2025
0	3,343	5,099	5,381	4,588	5,243
4.8	90	76	122	123	102
9	7	9	50	46	42
13.5	585	1,380	1,110	620	737
21**	1,550	9	0	-	0
23	18,148	31,065	28,835	28,893	33,221
<b>Total Taxable</b>	<b>23,722</b>	<b>37,637</b>	<b>35,498</b>	<b>34,270</b>	<b>39,345</b>
Postponed Accounting VAT*	3,625	6,142	5,786	5,743	6,781
VAT on Third Country Imports	1,369	1,213	1,015	1,001	977
<b>Total VAT (Paid and Postponed)</b>	<b>4,994</b>	<b>7,355</b>	<b>6,801</b>	<b>6,744</b>	<b>7,758</b>

\* Postponed Accounting enables VAT registered traders to account for the VAT due on imports on their VAT3 Return.

\*\* The Standard Rate of VAT was temporarily reduced to 21% from 1 September 2020 to 28 February 2021.

Source: Revenue analysis.

Zero-rated Goods (0% VAT) account for a substantial portion of import value; the value of goods taxed at this rate have shown an increase of 14 per cent on 2024 to €5.2 billion in 2025.

Reduced Rate Categories (4.8%, 9%, 13.5% VAT) account for minimal import activity where VAT is paid at import.

Goods taxed at the standard VAT rate consistently drive the largest share (84 per cent) of imports, peaking at €33.2 billion of taxable goods imported in 2025, an increase of 15 per cent when compared with 2024.

Postponed Accounting (PA VAT) refers to VAT deferred through postponed accounting mechanisms whereby VAT-registered businesses account for and reclaim import VAT on their periodic VAT returns rather than paying it upfront at the point of importation. In 2025, PA VAT accounted for 87% of VAT liabilities recorded on import declarations.

## Box 2: VIES and Intrastat

VIES and Intrastat relate to the movement of goods and services between businesses in different EU member states (Intra-Community acquisitions and supplies).

### VAT Information Exchange System (VIES)

VIES provides a mechanism whereby checks can be made in each EU Member State on the validity of claims to zero-rating. It helps to detect unreported movements of zero-rated goods between Member States. Businesses are required to submit periodic declarations detailing their intra-community supplies, including the VAT numbers of their trading partners. VIES enables traders to confirm the VAT registration numbers of their customers in other Member States. This allows traders to check the validity of VAT numbers quoted to them. This enhanced transparency deters fraudulent behaviour.

The VIES system applies to intra-EU trade only. In 2021 VAT zero rated goods and services from Northern Ireland (XI) were separately recorded within this system.

### Intrastat

Intrastat is a system for collecting statistics on the movement of goods, not services, between Member States of the EU. The general concept of intra-EU trade statistics is independent from the ownership of the goods. It concerns only their physical movement. The thresholds for both intra-community acquisitions and supplies is currently €750,000.

## 3.4 VAT OSS/IOSS

The One-Stop Shop (OSS) launched on 1 July 2021, is an evolution of the 2015 Mini One-Stop Shop (MOSS). While MOSS was restricted to telecommunications, broadcasting, and electronic (TBE) services, the expanded OSS now serves as a comprehensive electronic portal for businesses to manage VAT obligations on all cross-border Business to Consumer (B2C) sales within the EU through a single registration.

The Import One Stop Shop scheme (IOSS) also took effect from 1 July 2021. This is a simplification of the rules on importation of low value goods (i.e., those with an intrinsic value of less than €150 which are exempt from customs duty).

Under this scheme, EU-based traders can use the IOSS Scheme to declare VAT via a single Member State registration. For non-EU traders, the rules differ slightly: while the Non-Union OSS for services allows for direct registration, the IOSS generally requires third-country traders to appoint an EU-established intermediary to act on their behalf.

During 2025, 1,626 traders registered for OSS/ IOSS, an increase of 21 per cent on new registrations during 2024. Of these, 648 or almost 40 per cent were based in the United Kingdom. A further 32 per cent were based in the United States of America. Irish based traders accounted for 179 or 11 per cent of all new traders.

New import scheme registrations accounted for 413 or 25.4 per cent of all new registrations during 2025. The largest cohort of new registrations were for the Non-Union OSS scheme, a total of 1,046 or 64.3 per cent. The remaining 167 (10.3 per cent) were for the Union OSS Scheme.

The first payments under IOSS were received in August 2021 and then monthly thereafter.<sup>4</sup> OSS payments are due quarterly, driving the relatively steady receipts in February, May, August, and November in 2025.

Gross IOSS and OSS receipts recorded in 2025 totalled €723 million, an increase of 10 per cent on 2024. Imports under the IOSS scheme accounted for €357 million of this, an increase of 3.5 per cent on 2024.

In 2025, traders registered in Ireland, Luxembourg, the Netherlands and Germany returned the largest amounts of VAT under the OSS/ IOSS schemes. Over €4.7 million was received from Northern Ireland for import of goods transactions, as Northern Ireland is classified as a member state for imports only. For the sale of TBE services under the OSS scheme, it is classified as a third country. Table 5 presents an overview of the estimated liabilities by Member State for 2025 according to member state and scheme. Figure 6 shows Net VAT OSS receipts in the last three years by quarter.

**Figure 6: Net Quarterly VAT OSS Receipts (€m) 2023-2025**



Source: Revenue analysis.

<sup>4</sup> Detailed VAT OSS statistics are published and updated at: <https://www.revenue.ie/en/corporate/information-about-revenue/statistics/number-of-taxpayers-and-returns/vat-moss.aspx>.

**Table 5: OSS and IOSS liabilities\* (€m) by EU Member State 2025**

Member State	Union OSS Scheme	Non-Union OSS Scheme	Import Scheme (IOSS)	Total
Austria	2.7	0.0	0.0	2.7
Belgium	3.8	0.4	0.6	4.8
Bulgaria	0.0	0.0	0.0	0.0
Cyprus	7.0	0.9	0.0	7.9
Czech Republic	3.5	0.1	0.0	3.7
Germany	37.1	0.5	6.0	43.5
Denmark	4.2	0.1	0.0	4.3
Estonia	0.8	0.1	2.5	3.4
Greece	0.1	0.0	0.0	0.1
Spain	8.9	0.1	2.5	11.5
Finland	3.3	0.0	0.0	3.3
France	11.9	0.2	6.0	18.1
Northern Ireland**	4.7	0.0	0.0	4.7
Croatia	0.1	0.0	0.0	0.1
Hungary	0.2	0.0	0.0	0.2
Ireland	1.8	77.8	159.2	238.7
Italy	7.2	0.0	1.0	8.2
Lithuania	3.7	0.1	0.8	4.6
Luxembourg	32.2	2.6	134.1	168.9
Latvia	0.7	0.0	0.3	1.1
Malta	12.0	0.6	0.0	12.6
Netherlands	80.2	12.1	24.2	116.5
Poland	7.5	0.0	10.6	18.0
Portugal	1.2	5.7	0.0	6.8
Romania	0.2	0.0	0.0	0.2
Sweden	32.8	0.1	8.9	41.7
Slovenia	0.7	0.0	0.0	0.7
Slovakia	0.6	0.0	0.0	0.6
<b>All Member States</b>	<b>269.1</b>	<b>101.3</b>	<b>356.8</b>	<b>727.2</b>

\* Based on liabilities falling due in 2025; liability figures may differ from receipts figures.

\*\*Northern Ireland is classified as a member state for goods imports.

Source: Revenue analysis.

### Box 3: Distance Sellers

Distance sales are defined as those when a supplier dispatches goods to a non-VAT registered entity (e.g., private consumers) in another EU Member State. They include online sales, mail order and telephone sales of physical goods. Digital goods do not come under the scope of distance sales as they are services and are dealt with separately under the VAT OSS system. Excisable products and new vehicles are excluded under this definition.

#### Distance Selling to Irish Customers

A distance seller must register and account for Irish VAT on goods sold when their distance sales to Ireland exceed €10,000 in a calendar year. VAT Registration or registration for the OSS is optional for distance sellers under this threshold.

#### Distance Selling by Irish Suppliers

From 1 July 2021, Irish suppliers of goods to non-VAT registered customers in other EU Member States are obliged to charge Irish VAT on these goods up to the threshold of €10,000. If the sales of goods exceed this threshold in one or more Member States, the Irish supplier must register and account for VAT at the appropriate rates in the relevant Member State(s) or, alternatively, register for the Union OSS in Ireland. The value of sales must also be recorded on the Irish VAT return.

The number of and value of VAT paid by registered distance sellers into Ireland increased over recent years in line with online sales growth and in response to several interventions carried out by Revenue. On 1 July 2021 the rules relating to distance sales changed with the introduction of the Import One Stop Shop (IOSS) scheme. As a result, there has been a level shift downward in registrations since then. A 23 per cent increase in VAT collected by distance sellers was observed during 2025, while the number of registered traders decreased by 19 per cent. The IOSS scheme is discussed separately in section 3.4.

Registered Distance Sellers and VAT Collected in Ireland

Year	VAT Collected €m	Number of Traders
2022	50.6	364
2023	54.7	406
2024	66.7	345
2025	82.1	280

Source: Revenue analysis.

### 3.5 Receipts by Sector

Table 6 shows internal VAT receipts broken down by NACE sector of the trade.<sup>5</sup> The largest sector in 2025 was *Wholesale & Retail Trade, Professional, Scientific & Technical Services, Manufacturing, and Accommodation and Food Service Activities* were the next largest contributors. This differs from VAT registrations (Section 5.3) where *Construction* is the largest in

<sup>5</sup> NACE is a standardised classification providing the framework for collecting and presenting statistical data according to economic activity.

terms of numbers but low in relation to the value of payments. *Information and Communication* accounted for over 36 per cent of the total growth in total internal VAT receipts in 2025.

In 2025, the most significant sectors experiencing the largest year on year growth in VAT receipts were *Information and Communication* (+31 per cent), *Transportation and Storage* (+36 per cent), and *Construction* (+39 per cent). A 134% increase in the *Water Supply, Sewerage, Waste Management and Remediation Activities* was recorded, mainly due to the introduction of the Deposit Return Scheme whereby VAT included on the deposit amounts is recorded under this sector.

The VAT receipts of *Accommodation and Food Services Activities* decreased by 14 per cent in the year to 2025 marking a contraction of activity in the sector.

The *Electricity, Gas, Steam and Air Conditioning Supply* sector also showed a decrease in VAT receipts of 14 per cent in 2025, due to lower wholesale prices.

**Table 6: Internal VAT – Receipts by Sector**

Sector	2024 €m	2025 €m	+/- 2024	% Change
Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles	8,338.1	8,516.2	178.1	2%
Professional, Scientific and Technical Activities	2,918.9	3,045.6	126.6	4%
Information and Communication	1,265.2	1,659.6	394.3	31%
Manufacturing	1,322.6	1,410.4	87.8	7%
Accommodation and Food Service Activities	1,643.0	1,410.0	-233.1	-14%
Financial and Insurance Activities	766.8	907.0	140.2	18%
Public Administration and Defence; Compulsory Social Security	785.4	815.5	30.1	4%
Administrative and Support Service Activities	771.0	811.2	40.3	5%
Real Estate Activities	538.6	573.5	35.0	6%
Transportation and Storage	370.6	504.2	133.6	36%
Construction	350.5	488.2	137.7	39%
Other Service Activities	264.6	252.3	-12.3	-5%
Education	207.9	199.0	-8.9	-4%
Electricity, Gas, Steam, and Air Conditioning Supply	219.7	188.9	-30.9	-14%
Arts, Entertainment and Recreation	147.2	184.2	37.0	25%
Human Health and Social Work Activities	129.1	133.7	4.7	4%
Water Supply, Sewerage, Waste Management and Remediation Activities	29.1	68.0	38.9	134%
Activities of Households as Employers	27.7	26.6	-1.1	-4%
Mining and Quarrying	11.8	3.4	-8.4	-71%
Activities of Extra Territorial Organisations and Bodies	0.4	0.0	-0.4	-90%
Agriculture, Forestry and Fishing	-58.0	-71.6	-13.6	-23%
<b>Total</b>	<b>20,050.1</b>	<b>21,125.7</b>	<b>1,075.6</b>	<b>5%</b>

Source: Revenue analysis.

#### Box 4: Interpreting the Data – VAT Receipts by Economic Activity

Interpretation of VAT receipts by economic sector and VAT receipts for the supply of specific goods and services carries certain caveats. The sector for each VAT trader refers to the sector of the economy in which the trader's main economic activity occurs; the sectoral breakdown cannot be taken as the exact economic activity associated with all VAT collected as a number of traders (including VAT Group remitters) will operate across multiple economic sectors.

Traders are not required to identify the VAT yield generated from the supply of specific goods and services on their VAT returns. For certain types of transactions including intra-Community acquisitions and imports where the trader is availing of postponed accounting, VAT on purchases will also be included in the VAT on Sales (T1) on the trader's return under the reverse charge mechanism.

VAT from the Construction sector may also be remitted under the reverse charge mechanism by principal contractors engaged in activity other than construction (e.g., Health, Education) and these VAT returns are recorded within those sectors rather than within Construction.

Consequently, it is difficult to use the information provided on VAT returns as the exclusive basis for calculating the VAT generated from specific economic activities, as input VAT credits reduce the total amount of VAT remitted on sale / supply to the final consumer, and the exact economic activity associated with either the input costs or final sales is not recorded on the VAT return.

For further information on self-accounting and the reverse charge mechanism, please see

<https://www.revenue.ie/en/vat/what-is-vat/reverse-charge-self-accounting.aspx>

Table 7 shows VAT on imports (all sources) by sector, based on the economic activity of the trader. This is import VAT net of repayments under the Disabled Driver scheme and other unregistered VAT repayments. (See Table 3 for a breakdown of sources). In 2025, the *Wholesale & Retail, Transportation and Storage, and Manufacturing* sectors are the predominant sectors, collectively contributing approximately 98 per cent of these VAT receipts, a proportion in line with that in 2024.

The effects of Postponed Accounting and heightened trade activity with the UK is evident in the significant decrease in VAT payments by the *Wholesale and Manufacturing* sectors, alongside a notable increase in VAT contributions from the *Transportation* sector, which encompasses numerous express carriers.

**Table 7: VAT on Imports – Receipts by Sector**

Sector	2019	2020	2021	2022	2023	2024	2025
Wholesale & Retail Trade	999.6	909.3	860.6	813.4	613.7	578.2	568.3
Transportation & Storage	25.2	18.3	59.1	24.4	442.9	563.4	548.6
Manufacturing	788.4	719.9	570.3	575.3	231.8	146.4	143.9
Financial & Insurance	12.8	11.5	68.8	13.9	18.1	17.0	16.4
Professional, Scientific & Technical	25.6	25.6	31.7	30.5	17.4	10.7	12.1
Information & Communication	49.2	44.4	31.2	19.9	9.0	10.5	2.8
Administrative & Support	19.5	17.0	27.0	23.8	11.1	6.0	10.9
Electricity, Gas, Steam and Aircon	10.1	6.8	7.3	3.9	3.5	5.3	2.0
Public Administration	35.6	28.2	10.7	4.8	8.9	4.4	3.5
Other Service Activities	7.0	6.1	9.6	10.7	5.1	4.1	4.2
Construction	15.2	22.5	20.2	21.7	6.2	3.3	4.8
All Other Sectors	17.5	17.2	31.2	32.8	9.4	6.9	7.3
VAT Refunds (incl. unregistered VAT)	-34.5	-27.7	-29.2	-31.2	-35.2	-38.6	-40.3
<b>Total</b>	<b>1,971</b>	<b>1,799</b>	<b>1,698</b>	<b>1,544</b>	<b>1,342</b>	<b>1,318</b>	<b>1,285</b>

Source: Revenue analysis.

### 3.6 Concentration of Receipts

Taxpayers in Revenue's Large Corporates Division (LCD), which has responsibility for managing the tax affairs of the largest taxpayers in the State, accounted for 0.3 per cent of VAT traders making payments, 27 per cent of payments and 30 per cent of repayments in 2025. This represents an annual decline in payment concentration of 6 percentage points. Traders in Business Division accounted for 94 per cent of those making payments in 2025, however they accounted for 33 per cent of total payments and 27 per cent of all repayments.

**Table 8: VAT Payments/Repayments by Revenue Division**

Revenue Division of Traders	Payments				Repayments			
	2024 €m	2025 €m	2024 Number	2025 Number	2024 €m	2025 €m	2024 Number	2025 Number
Business	8,986	9,697	180,905	184,435	-1,898	-2,126	111,244	114,095
High Wealth & Financial Services	1,249	1,176	2,823	3,031	-764	-620	2,633	2,811
Large Corporates	7,642	7,921	570	544	-2,222	-2,345	501	496
Medium Enterprises	9,786	10,109	6,765	6,632	-2,612	-2,704	4,771	4,626
Personal	57	59	2,158	2,001	-8	-9	549	517

Source: Revenue analysis. Note: Excludes VAT OSS and repayments to unregistered traders.

Of traders making a VAT payment, 85 per cent paid amounts cumulatively totalling less than €100,000, with these traders accounting for approximately 10 per cent of the value of VAT payments in 2025. This is broadly in keeping with the pattern in 2024, when these percentages were 86 per cent and 10 per cent respectively.

### 3.7 Debt Warehousing

From March 2020, the Government put a series of immediate measures in place to assist businesses experiencing trading difficulties caused by the impact of COVID-19. Debt Warehousing was announced on 2 May 2020, initially applying to VAT and PAYE (employer) liabilities accumulated by businesses associated with the COVID-19 crisis. 1 May 2024 was the date by which businesses availing of the scheme were obliged to pay their warehoused debt in full or to

engage with Revenue on addressing the debt, for example in a Phased Payment Arrangement (PPA).

In April 2026, there was €403 million of warehoused VAT debt outstanding. Over 60 per cent of this debt related to taxpayers in Business Division.

## Box 5: VAT Gap

The tax gap describes the difference between a theoretical estimate of expected VAT revenue and the amount actually collected. A tax gap can arise from non-compliance but also insolvencies, bankruptcies, administrative errors, legal tax optimisation as well as miscalculations.

Since 2009 the European Commission has estimated measures of the VAT gap in each EU Member State and the EU as a whole. This VAT gap study employs a top-down approach to measure the difference between the VAT collected and the estimated VAT that could be collected (VAT Theoretical Tax Liability or VTTL) based on estimated economic activity in each country. The inputs for the calculations are taken from the various Member States' Own Resources statements (provided from Member States to the Commission – discussed in Box 1) and published National Accounts (e.g., exports and consumption data from the CSO in Ireland).

As this uses a top-down methodology, based on aggregate information for each Member State (as opposed to a bottom-up method using micro or case level data), the VAT gap estimation method is essentially the same for each Member State. It therefore allows only limited adjustments to be made for local factors, which can be significant.

Based on the study published in December 2025, Ireland's VAT gap is estimated at 8.3 per cent for 2023. The estimated gap would represent about €1,832 million in tax receipts.

From an overall EU perspective, the average VAT gap estimated for 2023 is 9.5 per cent representing an estimated gap of €128 billion.

Out of 27 Member States, Ireland's 23% standard rate of VAT was the fourth highest in the EU in 2023 (jointly with Poland and Portugal) but was positioned second lowest (jointly with Italy) when consideration for the overall weighted VAT rate is taken into account. This is attributed to both Ireland and Italy having larger numbers of different VAT rates.

Ireland is estimated to have a VAT policy gap of 54.9 per cent in 2023. This measures the theoretical increase in VAT revenue that could be achieved were no reduced rates applied. The policy gap is decomposed into a rate gap (loss in VAT liability due to the application of reduced rates) of 18.2 per cent and an exemption gap (loss in liability due to implementation of exemptions) of 10.6 per cent. The remaining 26 per cent of the VAT policy gap is non-actionable, being comprised of imputed rents and public health and education services.

The European Commission's 2025 VAT gap report (on the VAT in 2022) is published at: [VAT gap in Europe - Publications Office of the EU](#).

## 4 Repayments

### 4.1 Repayments Overview

VAT is the largest tax head in respect of repayments. Repayments are frequent in VAT, usually arising where a trader has paid more on their purchases than charged VAT on sales to customers, and are an intrinsic part of the tax. Over 33 per cent of traders were in a net repayment situation in 2025, almost unchanged since 2024. <sup>6</sup>

A business may have significant spikes in output that are typically preceded by lower levels of sales activity. In such instances where a series of larger VAT repayment claims are made, this may temporarily reduce the VAT receipts in each accounting period.

A small number of traders engage in business activities that are unlikely to generate VAT on sales. Examples are traders in the export industry, the food sector or supply of educational books.

Internal VAT repayments were €8.2 billion in 2025, up by almost 4 per cent from the €7.8 billion repaid in 2024. VAT repayments have grown at a faster pace than that of payments since 2014. As Table 9 shows, the total number of claimants of VAT3 claims for repayment has increased consistently since 2014 and the average repayment value also generally increased. The decrease in the average value of repayments processed in 2024 and 2025 reflects lower input price trends when compared with 2023.

**Table 9: Repayment Numbers and Amounts**

Year	Traders Filing a Claim	Total Claims Filed	Average Value Claim*
2014	86,590	250,027	12,087
2015	88,043	256,166	13,927
2016	89,956	264,970	14,300
2017	91,603	273,365	16,323
2018	93,934	283,687	17,739
2019	94,822	289,408	18,975
2020	107,087	318,665	16,386
2021	111,152	343,415	17,369
2022	114,506	379,432	20,017
2023	115,307	375,662	20,748
2024	118,098	385,587	19,713
2025	121,342	395,436	19,583

Source: Revenue analysis. Notes: internal VAT only (VAT3 returns); \*Repayments including offsets of VAT repayments against other taxes owed.

Table 10 provides a sectoral breakdown of VAT internal repayments. *Manufacturing, Construction and Wholesale & Retail* account for the largest shares of VAT repayments.

<sup>6</sup> <https://data.cso.ie/table/RVA08>

**Table 10: Repayments by Sector**

Sector	2024 €m	2025 €m	+/-2024
Manufacturing	-1,492	-1,728	16%
Construction	-1,435	-1,595	11%
Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles	-1,185	-1,343	13%
Information and Communication	-876	-673	-23%
Professional, Scientific and Technical Activities	-691	-618	-11%
Administrative and Support Service Activities	-503	-542	8%
Financial and Insurance Activities	-489	-444	-9%
Transportation and Storage	-316	-243	-23%
Agriculture, Forestry and Fishing	-195	-210	8%
Electricity, Gas, Steam, and Air Conditioning Supply	-107	-102	-5%
Real Estate Activities	-81	-77	-5%
Arts, Entertainment and Recreation	-65	-63	-4%
Accommodation and Food Service Activities	-54	-62	15%
Other Service Activities	-33	-55	67%
Water Supply, Sewerage, Waste Management and Remediation Activities	-45	-41	-9%
Mining and Quarrying	-23	-37	65%
Public Administration and Defence; Compulsory Social Security	-12	-14	15%
Human Health and Social Work Activities	-12	-11	-7%
Education	-6	-6	-5%
Activities of Households as Employers	-4	-4	-9%
Activities of Extra Territorial Organisations and Bodies	0	0	-
<b>Total</b>	<b>-7,624</b>	<b>-7,867</b>	<b>3%</b>

Source: Revenue analysis. Notes: internal VAT only (VAT3 returns); totals do not match the figures quoted in the text as some sectors are not identified.

## 4.2 Speed of Repayments

Table 11 provides a summary of the duration between the filing of a taxpayer's initial periodic VAT3 return and the processing of their VAT repayment by Revenue.<sup>7</sup> Typically, over 80 per cent of repayment claims are processed within 5 days of filing. Delays in processing repayments generally arise due to validation checks, which may require the taxpayer to provide supporting documentation to substantiate their claim, or when a taxpayer amends their VAT3 return, leading to a subsequent refund. Repayments taking over 5 days are usually of significant value or involve amendments to the initial VAT3 return.

<sup>7</sup> Publications for 2022 and prior years identified the repayment time with respect to the last day of the trader's accounting period. This approach is corrected in later publications and direct comparisons with older published data are not possible.

**Table 11: Speed of Repayments****Proportion of Claims**

Year	<=5 days	<=20 days	<=30 days	<=2 Months	<= 3 Months	>3 Months
2022	83%	91%	93%	96%	97%	3%
2023	85%	91%	93%	96%	97%	3%
2024	88%	93%	95%	97%	97%	3%
2025	88%	94%	95%	97%	97%	3%

**Proportion of Value**

Year	<=5 days	<=20 days	<=30 days	<=2 Months	<= 3 Months	>3 Months
2022	61%	80%	87%	92%	95%	5%
2023	66%	80%	85%	90%	93%	7%
2024	69%	82%	87%	93%	95%	5%
2025	71%	82%	86%	92%	95%	5%

Source: Revenue analysis.

Note: days refer to calendar days rather than working days, repayments refer to internal VAT3 only and offsets to other tax head liabilities of the taxpayer are not included. Refunds are also not included (e.g. taxpayer overpayments, payments made to unregistered VAT traders).

**4.3 Payments to Unregistered Cases**

Certain persons or businesses not registered for VAT may reclaim VAT under several conditions.<sup>8</sup> As shown in Table 12, the level of these repayments increased in 2025 by 7.8 per cent to €155.5 million.

The largest sectors applying for VAT repayment (Internal VAT) are unregistered farmers whose claims are made through either Form VAT58 or e-repayments (since 2019) and repayments for VAT on equipment, vehicles, and modifications for disabled persons.

<sup>8</sup> See <https://www.revenue.ie/en/vat/repayments-to-unregistered-persons/index.aspx>.

**Table 12: Repayments to Unregistered Cases**

Type	2021 €m	2022 €m	2023 €m	2024 €m	2025 €m
Disabled Drivers Refunds	27.1	29.1	32.9	34.7	36.8
Disabled Persons Equipment	5.2	7.48	7.1	6.4	9.1
Diplomats	1.9	0	2.2	3.7	3.4
Fishing Boats and Diesel	0.0	0.0	0.0	0.0	0.0
Foreign Parcel Post Refund	0.1	0.0	0.0	0.0	0.0
Farmers	85.7	89.3	88.0	67.0	66.4
Foreign Traders Non-EU	1.0	0.8	1.4	4.5	2.8
Foreign Traders EU (4th Schedule)	0.7	0.4	1.0	2.1	0.9
Foreign Traders Northern Ireland	1.4	0.8	0.5	0.5	0.6
Foreign Traders Non UK	0.4	5.7	5.2	5.4	6.2
Touring Coaches	0.8	6.0	7.5	13.4	16.7
EU Institutions	0.0	0.0	0.1	0.0	0.1
Interest Payable	0.0	0.0	0.0	0.0	0.0
Humanitarian Goods, etc.	1.2	0.0	0.0	0.0	1.0
EC Food and Veterinary	0.0	0.0	0.0	0.0	0.0
Charities VAT	5.0	5.0	5.0	10.0	10.0
<b>Total</b>	<b>130.5</b>	<b>144.6</b>	<b>150.9</b>	<b>144.2</b>	<b>155.5</b>

Source: Revenue analysis.

#### 4.4 Payments under the E-Repayment scheme

Irish VAT-registered traders who have paid VAT in another EU Member State can claim a repayment using the Electronic VAT Refund (EVR) system when submitting their returns. Similarly, EU VAT-registered traders who incur business-related VAT in Ireland can submit claims through their respective tax authorities. Revenue processes these claims and refunds the VAT in relation to these claims.

In 2025, repayments under this scheme amounted to just over €36 million, representing a 9.8 per cent decrease compared to 2024. Most of these repayments were related to motor fuel expenses incurred by traders based in Northern Ireland.

## 5 Traders and Returns

### 5.1 Registration of VAT Traders

Businesses (or persons) are typically required to register with Revenue for VAT where they supply taxable services or goods and where specific thresholds criteria are exceeded:

- €42,500 in the case of businesses supplying services only.
- €10,000 for taxable businesses making mail-order or distance sales into the State<sup>9</sup>;
- €41,000 for businesses making acquisitions from other EU Member States; or
- €85,000 for businesses supplying goods.

Businesses supplying taxable services or goods that do not exceed these thresholds on a rolling twelve-month period can elect to register for VAT. Businesses engaged in VAT exempt services or goods are not required to register. Those engaged solely in agricultural production activities are typically not obliged to register for VAT, as they can apply the Farmer Flat Rate (see box 6) on the value of their sales but can choose to register if they wish.

The EU VAT SME scheme was introduced on 1 January 2025. This allows Irish-established small businesses with an annual EU-wide turnover of less than €100,000 to sell goods and services in other Member States without having to register for VAT in those countries.

The optional scheme allows eligible businesses to benefit from a simplified reporting obligation by providing a single registration under which the business will trade intra-EU.

The national turnover threshold (€85,000) must also not be exceeded.

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<sup>9</sup> This threshold was introduced with effect from 1 January 2025. <https://www.revenue.ie/en/vat/vat-registration/who-should-register-for-vat/vat-thresholds.aspx>

## Box 6: Farmer Flat Rate

Irish and EU VAT legislation provides that all farmers involved in agricultural production may elect to register for VAT or can remain unregistered and be treated as “flat-rate farmers” for VAT purposes.

Farmers who elect to register for VAT have an entitlement to reclaim VAT on costs incurred in relation to the farm business. In recognition of the fact that unregistered farmers generally cannot reclaim VAT, the flat-rate scheme was designed to compensate them on an overall basis for the VAT incurred by them on their purchases of goods and services relating to their farming business. The flat-rate scheme sets out a percentage amount, known as the flat-rate addition, which unregistered farmers apply to their prices when selling to VAT-registered businesses, for example co-ops, marts and meat factories.

The farmers flat-rate addition (FRA) is calculated by Revenue using inputs from agriculture macro-economic data that is provided by the Central Statistics Office (CSO). It is expressed as a percentage applied to the value of qualifying agriculture activities. The FRA is calculated on annual data and the average rate taken across three of the most recent years. This is provided to the Department of Finance prior to each Budget. The primary drivers which can impact the FRA in a given year are the changes in the value of VAT incurred on agriculture inputs and changes in the value of agriculture outputs. As such the rate needs to be calculated each year as the ratio of VAT on inputs to the value of outputs can fluctuate over time. When calculating the FRA, VAT incurred on inputs that are covered by the VAT58 refund scheme are not included in the calculations (i.e., farm buildings and land improvements) – because the VAT costs that come within the scope of the VAT58 scheme are refunded to flat-rate farmers through that particular scheme, and not as part of the FRA.

In 2024, farmers who are not registered for VAT (flat-rate farmers) were entitled to charge a flat-rate addition of 4.8% on sales to VAT registered businesses. The flat rate addition was increased to 5.1% in Budget 2025 (October 2024) due to reductions in the value of outputs and also in the value of input costs which are taxable from a VAT perspective.

In 2024, it was estimated that farmers reclaimed €414 million of VAT from the addition of the 4.8% farmer flat rate.

There is a regular movement in VAT registrations figures each year, with businesses registering, re-registering, and cancelling their registrations. This is illustrated in Figure 7 and Table 13 shows the same trends over 2024 to 2025.

**Figure 7: Change in Number of Registered Traders 2024 to 2025**



Source: Revenue analysis.

**Table 13: Number of Registered VAT Traders**

Year	Registered Traders*	New/Re-Registered	Cancellations	Net Growth	Active Traders**
2020	263,590	24,170	16,250	3%	197,400
2021	273,690	24,410	14,580	4%	203,405
2022	278,854	24,352	20,875	1%	195,772
2023	281,696	24,961	21,154	1%	199,355
2024	288,354	26,336	20,753	2%	203,198
2025	291,411	26,023	21,215	1%	207,262

Source: Revenue analysis. Note: \* as of 31 December; \*\* VAT3 return filed with at least one VAT transaction.

A significant number of VAT registered traders are not actively trading in the supply of taxable goods, based on regular filing of their VAT3 returns (final column of Table 13). An increase of 2.0 per cent in active traders was recorded in 2025 which displays a steady trend since 2023.

The most common reasons for the cancellation of a VAT registration are provided in Table 14 below. The most prevalent reason is a business ceasing trading (67.5 per cent of ceased registrations in 2025), followed by a reduction in a business turnover below the VAT registration threshold (10.7 per cent) or going into liquidation (7.5 per cent). Other reasons are compulsory deregistration or case mergers or no longer trading intra-EU (14.4 per cent). The relative importance of these reasons is in line with the pattern in 2024 and prior years.

**Table 14: Reason for VAT Registration cancellation**

Year	2019	2020	2021	2022	2023	2024	2025
Ceased Trading	69.7%	61.0%	58.0%	60.0%	60.1%	58.6%	55.0%
Not provided	2.1%	1.4%	1.1%	1.3%	3.5%	7.6%	11.8%
Exempt/Below Limit	10.6%	12.5%	12.7%	10.8%	10.3%	9.8%	10.7%
No longer trading	3.4%	7.9%	9.2%	10.4%	9.3%	7.8%	7.5%
Liquidation/Bankrupt	5.5%	8.1%	8.4%	6.5%	7.3%	7.7%	7.5%
Never Traded	5.3%	4.4%	4.9%	6.7%	5.6%	4.8%	4.0%
Compulsory de-registration	1.0%	1.0%	0.5%	0.4%	0.7%	1.3%	1.2%
Cancel Waiver/Elect	1.9%	1.9%	2.5%	2.3%	2.0%	1.2%	1.1%
Deceased	0.6%	1.4%	1.3%	1.0%	0.8%	0.9%	0.9%
No longer trading intra-EU	0.1%	0.3%	0.9%	0.5%	0.6%	0.3%	0.2%
Reverted to domestic-only Reg.	0.0%	0.1%	0.5%	0.2%	0.1%	0.1%	0.1%

Note: reason for cancellation on date recorded on Revenue systems. Not necessarily effective date

Since June 2019, taxpayers must specify whether they wish to apply for a 'domestic-only' or 'intra-EU' VAT registration, to facilitate a speedier registration process for businesses seeking a domestic-only registration. This also mitigates risks associated with missing traders involved in fraudulent cross-border transactions. Of the 26,023 new or re-registrations in 2025, 92 per cent were domestic only trading, with the remaining 8 per cent for intra-EU.

## 5.2 Types of Traders

Different types of businesses are registered for VAT as shown in Table 15. Companies account for the largest proportion of traders at 63.8 per cent while 30.8 per cent are sole traders. The remaining 5.4 per cent is comprised of partnerships, trusts and unincorporated bodies. Companies experienced the largest year on year growth (2.9 per cent) from 2024 to 2025, while

the number of partnership, unincorporated body and individual (sole trader) registrations decreased by 4.1 per cent, 2.0 per cent and 1.8 per cent respectively.

**Table 15: VAT Registration by Business Type**

Year	Company	Individual	Partnership	Trust	Unincorporated Body	Total
2021	166,509	90,336	13,216	693	4,557	275,311
2022	171,687	89,640	12,529	684	4,314	278,854
2023	175,156	89,891	11,888	668	4,093	281,696
2024	180,752	91,338	11,555	670	4,039	288,354
2025	186,007	89,692	11,076	676	3,960	291,411

Source: Revenue analysis.

### 5.3 Trader Sector

The distribution of VAT registered traders by sectors (using the NACE classification system – see Box 4) is shown in Table 16 and

Figure 8 shows this segmented by business type. Construction, Wholesale & Retail Trade and Professional, Scientific & Technical are the sectors with the highest numbers of registered traders, accounting for just over 50 per cent of all registrations in 2025 but the order of these varies by business type (see

Figure 8).

**Table 16: VAT Registrations by Sector**

Sector	Registrations at end 2024	2025 vs 2024	New in 2025	Cancellations in 2025
Construction	60,444	2%	5,636	4,224
Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles	43,878	2%	4,119	2,959
Professional, Scientific and Technical Activities	41,512	1%	3,662	2,898
Manufacturing	17,713	0%	1,276	1,168
Accommodation and Food Service Activities	17,711	0%	1,691	1,619
Administrative and Support Service Activities	16,781	1%	1,485	1,286
Information and Communication	16,390	1%	1,749	1,423
Agriculture, Forestry and Fishing	13,333	2%	831	533
Real Estate Activities	13,679	-3%	670	973
Financial and Insurance Activities	9,828	3%	1,195	773
Other Service Activities	8,733	1%	969	808
Transportation and Storage	8,577	-1%	650	692
Education	5,196	2%	388	278
Arts, Entertainment and Recreation	5,176	2%	527	400
Human Health and Social Work Activities	2,666	5%	462	308
Activities of Households as Employers	2,870	-6%	392	592
Electricity, Gas, Steam, and Air Conditioning Supply	1,185	4%	96	44
Water Supply, Sewerage, Waste Management and Remediation Activities	1,216	0%	67	67
Public Administration and Defence; Compulsory Social Security	976	-3%	136	150
Mining and Quarrying	472	-1%	19	19
Other /Not Classified	18	6%	3	1

<b>Total</b>	<b>288,354</b>	<b>291,411</b>	<b>26,023</b>	<b>21,215</b>
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Source: Revenue analysis

\* Records determined as the dates entered onto Revenue's IT systems.

**Figure 8: VAT Registrations by Business Type in 2025**



Source: Revenue analysis.

## 5.4 Returns

VAT registered traders typically file their periodic VAT3 return every two months or, where certain criteria are met and authorisation is granted by Revenue, on a four, six- or twelve-monthly basis. Such traders have an annual turnover below a specific threshold, the exception being a proportion of the twelve-month filers who opt to spread their monthly payments evenly over the year by direct debit.<sup>10</sup> From 2025, Revenue is transitioning taxpayers to a Variable Direct Debit system under which most annual filers will be required to file on a two-monthly basis.

In 2025, almost three quarters of traders filed their VAT3 returns on a two-monthly basis and paid the majority (over 91 per cent) of VAT. These traders also accounted for 98 per cent of VAT repayments made to businesses regarding their input costs. Although the proportion of traders filing at 2 monthly intervals has increased the proportion of VAT receipts paid/repaid has remained relatively consistent.

**Table 17: VAT Return Frequency and Share of Payments/Repayments**

Year	VAT3 Filing	Share of Traders	Share of Payments	Share of Repayments
2023	Two-monthly	70.7%	91.6%	97.9%
2024	Two-monthly	73.0%	91.2%	97.8%
2025	Two-monthly	75.4%	92.6%	97.9%
2023	Four-monthly	16.4%	2.5%	1.3%
2024	Four-monthly	14.9%	2.5%	1.3%
2025	Four-monthly	13.5%	2.3%	1.3%
2023	Six-monthly	7.4%	0.6%	0.4%
2024	Six-monthly	6.7%	0.5%	0.4%

<sup>10</sup> A number of traders also receive VAT repayments on a monthly basis, typically these traders are registered with Revenue as being in a net VAT repayment situation. These traders file a VAT3 return along the periodic VAT return cycles where the actual liabilities can be observed.

2025	Six-monthly	6.0%	0.6%	0.4%
2023	Twelve-monthly	5.6%	5.4%	0.3%
2024	Twelve-monthly	5.4%	5.8%	0.5%
2025	Twelve-monthly	5.0%	4.5%	0.4%

Source: Revenue analysis.