

Taxation

VAT REFUND TO TAXABLE PERSONS ESTABLISHED IN ANOTHER MEMBER STATE

Council Directive [2008/9/EC](#) laying down detailed rules for the refund of value added tax, provided for in Directive 2006/112/EC, to taxable persons not established in the Member State of refund but established in another Member State

Objective

To lay down the rules for the reimbursement of VAT to taxable persons, who are not registered for VAT within the Member State in question but who are registered in another Member State.

Relevance for the hospitality industry

The VAT refund is important with regard to business travellers travelling to another Member State than the one, where their enterprise is registered. Some Member States refund the VAT paid for accommodation and/or restaurant services to enterprises, which are registered in another Member State. Such refunds are reducing the final business expenditure on hospitality services.

Furthermore, the Directive also applies to hospitality establishments purchasing goods from another Member State.

State of progress

Adopted. The Directive shall apply to refund applications submitted after 31 December 2009. For refund applications until this date, Directive [79/1072/EEC](#) shall apply, which will be repealed as from 1 January 2010.

Content

The Directive lays down the detailed rules for the refund of value added tax, provided for in Article 170 of the VAT Directive 2006/112/EC, specifying the information to be provided in the electronic refund application.

The Directive provides that requests for refunds are to be dealt with by the Member State where the VAT was paid. The refundable amount will be determined under the deduction rules of the Member State where the expenses are incurred, and the repayments made directly by that Member State to the requesting taxable person. Interests shall be paid by the Member State of refund in case of late refund of VAT.

For a summary of the Directive 79/1072/EEC, you can visit the [SCADPlus](#) website (European Commission).

HOTREC position

HOTREC encourages all Member States to allow the deductibility/refund of VAT incurred on travel expenses of business travellers.

Official reference

Council Directive [2008/9/EC](#) of 12 February 2008 laying down detailed rules for the refund of value added tax, provided for in Directive 2006/112/EC, to taxable persons not established in the Member State of refund but established in another Member State, O.J. L 44 of 20.02.2008

See also:

Eighth Council Directive [79/1072/EEC](#) of 6 December 1979 on the harmonization of the laws of the Member States relating to turnover taxes - Arrangements for the refund of value added tax to taxable persons not established in the territory of the country, O.J. L 331 of 27.12.1979