

REVENUE COMMISSIONERS INFORMATION ON VALUE ADDED TAX

NOTE THAT ADVICE WAS PUBLISHED WHEN THE STANDARD VAT RATE WAS 21%
- NOW 23%

VAT REVERSE CHARGE CLARIFICATIONS

“Fittings” included in construction contract

The supply and installation of fittings (as described in appendix attached) is subject to VAT at 21% even when part of a wider contract that includes construction services subject to the 13.5% rate. These supplies and installations are not services within the scope of Section 8 (1B) (b) Value-Added tax Act 1972 (Amended) and therefore not subject to the VAT reverse charge. The supplier should invoice VAT at 21% as before.

Construction Services subject to the VAT reverse charge and liable to VAT at 21%

The rate of VAT is not the determining factor in deciding whether or not the reverse charge applies. The reverse charge applies to services consisting of construction operations, regardless of the VAT rate. While most of these services are subject to VAT at 13.5% there are some that attract the 21% rate, including:

- The hire and erecting of scaffolding
- The hire and erecting of temporary fencing
- The hire of crane and driver
- The hire of site labour through an agency (not to be confused with an employment agency)

VAT Interpretation Branch

1st September 2008.

Appendix

As distinct from fixtures, fittings are goods which, though often attached to buildings, can be removed without substantial damage being caused to the goods themselves or to the building to which they are attached. Their supply and installation is therefore subject to the 21 per cent rate.

Examples are as follows:

- Blinds (most types)
- Clocks including time clocks such as flexitime equipment
- Cooker hoods
- Curtains
- Electric and gas fires
- Exhibition stands
- Fitted carpets and lino, other than floor covering stuck down over its entire surface
- Freestanding shop counters
- Kitchen cookers
- Lighting other than recessed lighting
- Mirrors
- Most shelving
- Refrigeration units, including deep freezers
- Safes (certain)
- Seating, including cinema and church seating whether or not secured to the floor
- Snooker tables and other games tables
- Washing machines and dishwashers, including plumbed-in machines.
- Wooden flooring ('floating' – not permanently fixed)

The supply, or supply & fitting for a single inclusive charge, of these goods is chargeable to VAT at 21 per cent. For example the supply & fitting of a kitchen cooker for an inclusive charge is liable at 21 per cent. If, however, it was necessary to re-wire for a power supply point and a separate charge was raised for such work, the 13.5 per cent rate would apply to that separate charge. The connection only of the cooker to an existing power supply would however be subject to 21 per cent.