



VAT and the hospitality industry

Recent and future developments in the
Member States

By Marguerite Sequaris, HOTREC CEO

HOTREC

SSD plenary meeting, 1 December 2009

VAT and hospitality



Background:

Before 1 June 09:

- Hotels: option: - standard rate ($\geq 15\%$)
- reduced rate ($\geq 5\%$)
- Restaurants: in principle standard rate...except if already reduced rate before Jan 91

After 1 June 09: all Member States allowed to apply reduced VAT rate ALSO to restaurant services!

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As of today:

21 countries apply a reduced rate to accommodation

12 countries apply a reduced rate to restaurants

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Recent and future changes in the UK

1 December 2008:

VAT on hotels and restaurants  from 17,5% to 15%

1 January 2010:

VAT on hotels and restaurants  from 15% to 17,5%

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Recent changes in Estonia

1 January 2009:

VAT on accommodation  from 5% to 9%

VAT on restaurants remains 18%

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Recent changes in Latvia

1 January 2009:

VAT on accommodation  from 5% to 21%

VAT on restaurants  from 18% to 21%

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Recent changes in Lithuania

1 January 2009:

VAT on accommodation  from 5% to 19%

VAT on restaurants  from 18% to 19%

1 September 2009:

VAT on hotels and restaurants  from 19% to 21%

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Recent changes in France

1 July 2009:

VAT on accommodation remains 5,5%

VAT on restaurants  from 19,6% to 5,5%
(excluding alcoholic beverages)

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Recent changes in Hungary

1 July 2009:

VAT on accommodation  from 20% to 18%

VAT on restaurants  from 20% to 25%

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Future changes in Belgium

1 January 2010:

VAT on accommodation remains 6%

VAT on restaurants  from 21% to 12%
(excluding beverages)

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Future changes in Germany

1 January 2010:

VAT on accommodation  from 19% to 7%

VAT on restaurants remains 19%

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Future changes in Finland

1 July 2010:

VAT on hotels  from 8% to 9%

VAT on restaurants  from 22% to 13%
(excluding alcoholic beverages)

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Future changes in Spain

1 July 2010:

VAT on hotels and restaurants  from 7% to 8%

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Future changes in the Czech Republic

2010???:

VAT on hotels remains at 9%

VAT on restaurants  from 19% to 9% or 10%

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As of 1 January 2010:

22 countries are expected to apply a reduced rate to accommodation

13-14 (CZ?) countries are expected to apply a reduced rate to restaurants

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As of 1 July 2010:

22 countries are expected to apply a reduced rate to accommodation

14-15 (CZ?) countries are expected to apply a reduced rate to restaurants

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Thank you for your kind attention

Questions?