



IFA

Update on VAT 58 Issue

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- Issue has developed on what VAT can be reclaimed under “VAT 58”.
- Previously all “Fixed items” could have VAT reclaimed.
- Revenue now using a more literal interpretation of the legislation. Fixed is not mentioned, rather “buildings and structures”.
- Statutory Instrument 201 of 2012 states the following as refundable:
 - (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,*
- “structure” includes a farmyard, a farm road and a concrete path adjacent to farm buildings;



VAT

- Items such as robotic scrapers, automatic calf feeders, drafting gates, bulk milk tanks, feed bins etc have been refused.
- IFA led by the president met Revenue in Dublin Castle in late January. Revenue agreed to allow refund on some of the above items such as drafting gates and new installations of milking facilities.
- IFA made a detailed submission on the other items in February with a view to getting these included once more for refunds.
- Correspondence is also continuing with the Minister for Finance and Minister for Agriculture on this matter.
- Issue around fact that TAMS does not cover VAT has been raised with both Ministers.



VAT

- Taoiseach at IFA AGM in January said he was confident a solution can be found to the issue.
- Meeting to take place with Simon Harris in next number of weeks where this will be one of the key issues.
- Revenue have responded to IFA correspondence, softening of stance on some items, request for further information on others.
- Agree to visit farm to see and understand some of these items.
- Further items and reclaims have been questioned/refused.
- Plan is for a Guidance Note to be issued in the next number of months.



VAT

Year	No. of Claims	VAT Refunds
2023	35,896	€88m
2022	35,948	€89.3m
2021	36,243	€85.7m
2020	37,176	€80m
2019	35,517	€71.1m
2018	21,947	€76.1m
2017	20,537	€59.5m
2016	23,055	€56.3m
2015	21,151	€54.9m
2014	21,227	€50.9m

- Increase of 69% in number of claims since 2014 and 73% increase in value of reclaims.
- In theory vat refunds through 58's and flat rate farmer addition should balance what VAT a non-registered farmers actually pays in VAT each year, in reality.....