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By PwC Deutschland | 29. Juni 2011

# Fishing cruise is carriage for VAT

**The Supreme Tax Court has held that a cruise to a fishing area on the high seas and back is carriage and therefore chargeable to VAT only to the extent it took place in home waters.**

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The owner of a converted trawler offered hobby anglers cruises in the Baltic lasting several days. Each angler paid a fixed fee covering his return passage to and from the harbour and fishing ground, his accommodation and meals whilst on board, his use of gutting and freezing facilities for his catch and participation in an angling context with a day's free fishing as the prize. The anglers brought their equipment with them. The shipper saw the service as carriage or freight (the catch on the return journey) subject to VAT only to the extent it took place in home waters; the tax office saw it as an entertainment, or pastime, taxable in full at the place of business of the provider.

The Supreme Tax Court has now held the service to be carriage on the grounds that the voyage to and from the fishing ground was transport. That the transport was motivated by a desire to enjoy a hobby, did not change its nature. The court had already held that the provision of meals and accommodation whilst on board ship was incidental to the carriage, and thus not to be taxed separately. This also applied to use of the gutting and freezing facilities, as a necessary step in the preparation of the catch for the journey home. Angling time spent on board with the ship lying motionless in the fishing ground did not change the nature of the service as carriage; rather, it was akin to stops on bus trips to allow passengers to get out, enjoy the view and to take photographs.

Supreme Tax Court judgment XI R 25/09 of March 2, 2011 published on June 29

**Schlagwörter**

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