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VAT on catering sales – transition

The finance ministry has granted transitional relief to September 30, 2013 on its March decree on the distinction between the sale of food and restaurant services.

In March 2013, the finance ministry followed up on a series of court cases with a decree giving guidance to caterers on the distinction between sales of food and drink as goods (food sales at reduced-rate VAT) and the supply of restaurant services taxed at the standard rate. This decree replaced earlier guidance which took a somewhat more rigid position. The ministry has now issued a decree saying that no exception will be taken to businesses following the old rules in respect of sales up to September 30, 2013. This applies both to inputs and outputs; thus a seller may apply a more favourable rate under the old rules whilst a buyer will be able to deduct the input tax at the higher rate actually charged.

Keywords

catering, food, restaurant