



VAT Expert v19.1.1

Release Note

Overview

This release is a patch release of the VAT Expert application for the month of January 2019. It includes changes / updates in the VAT Expert as from 1 January 2019.

Main changes in VAT Expert

The following improvements have been made in the VAT Expert.

- **EU**

New place of supply rules for TBE services as from 1 January 2019 in the EU

- **Netherlands**

We have updated the reduced rate in the Netherlands. From 1 January to 2019 it is increased from 6% to 9%.

- **Croatia**

Limitation of the general reverse charge - applicable only for non-VAT-registered taxpayers as of 1 January 2019

- **Lithuania**

The reduced VAT rate for newspapers, journals and other periodicals decreases from 9% to 5% as from 1 January 2019.

- **Slovakia**

The reduced VAT rate of 10% applies to accommodation services as from 1 January 2019.

- **Czech Republic**

The reduced VAT rate applicable to land passenger transportation reduces from 15% to 10%, starting 1 February 2019.

- **Ireland**

The reduced VAT rate applicable to the tourism sector increases from 9% to 13.5%, starting January 1, 2019.

- **Romania**

VAT rate on hotel services, restaurant and catering services is reduced from 9% to 5%.

Change Log

Ref	Description
VEN-169	<p>EU - new place of supply rules apply for TBE services as from 1 January 2019 in the EU</p> <p>As from 1 January 2019, the threshold will be introduced for B2C telecommunications, broadcasting and electronic (TBE) services in the EU.</p> <p>Article 1 of Directive 2017/2455 requires EU Member States (MS) to implement improvements to the mini-one-stop-shop (MOSS) scheme as of 1 January 2019. The improvements are aimed at reducing the compliance burden for SMEs, by allowing taxable persons who supply telecommunications services, radio and television broadcasting services or electronically supplied services (TBE services) in an annual value not exceeding EUR 10,000 to apply the VAT rules of the country of their establishment instead of those of the country where the customer is located, which also means that such suppliers will not be required to use the MOSS scheme.</p> <p>However, such suppliers who do not exceed the threshold may still opt for application of the VAT of their customers' country and MOSS scheme.</p> <p>Consequences:</p> <p>Until 1 January 2019, if the customer was a private individual or other non-taxable person then the VAT of the MS of the customer applied. As from 1 January 2019, the VAT rules of the country of the supplier's establishment apply if the annual value of the supplies in this MS is not exceeding EUR 10,000. Please note that it only applies if the supplier is established in one EU MS.</p>
VEN-173	<p>The Netherlands - the reduced VAT rate is increased from 6% to 9%</p> <p>We have updated the reduced rate in the Netherlands. From 1 January 2019 it is increased from 6% to 9%.</p>
VEN-260	<p>Croatia – the general reverse charge does not apply to VAT registered non-residents as from 1 January 2019</p> <p>Non-resident taxpayers that are registered for VAT in Croatia will no longer be eligible to apply the local reverse charge mechanism stipulated in Section 75 (2) of the Croatian VAT Act to their local supplies in Croatia. In other words, as from 1 January 2019, VAT registered non-residents will have to charge VAT on their local supplies. Local reverse charge will still apply to local supplies of non-residents that are not registered for VAT purposes in Croatia.</p>
VEN-275	<p>Lithuania – the 5% reduced VAT rate applies to newspapers and periodicals, effective January 1, 2019.</p> <p>The VAT rate for newspapers and periodicals is increased from 9% to 5%, effective 1 January 2019.</p>
VEN-303	<p>Slovakia - the reduced VAT rate of 10% for accommodation services applies as from 1 January 2019</p> <p>"Accommodation services" has been added in Sec 27 and Annex 7a of the amended VAT Act under the bracket of the reduced VAT rate (10%), as a result, hotel services and furnished accommodation and renting of camping sites are subject to the 10% reduced VAT rate as from January 2019.</p>

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VEN-304	<p>Czech Republic - the reduced VAT rate applicable on land and water passenger transportation decreases from 15% to 10%</p> <p>As from 1 February 2019, the 10% reduced VAT rate applies on land and water passenger transportation in Czech Republic.</p> <p>On 27 December 2018, the President signed an amendment to the VAT Law ("the amendment") which reduces the VAT rate on mass land and water passenger transportation from 15% to 10%. The 10% reduced rate were to apply with effect from 1 February 2019.</p>
VEN-308	<p>Ireland - the reduced VAT rate on restaurant services and accommodation increases from 9% to 13.5% as from 1 January 2019</p> <p>Sec 46(1)(ca) of the VAT act is amended through the Finance Act 2018. This provision tells us about the list of goods and services taxable at the 9% VAT rate. Till 31 December 2018 the 9% VAT rate applied to paragraphs 3(1) to (3) ,7, 8, 11, 12, 13(3) and 13 B(1) to (3) of Schedule 3 of the VAT Act. As per the Finance Act 2018, the paragraphs mentioned above are now charged with 13.5% VAT rate with the exception of paragraph 7(a), 7A and 12.</p> <p>As a result, supplies of catering and restaurant services, tourist accommodation, hotel and other holiday accommodation are taxable at the 13.5% VAT rate instead of the 9% VAT rate as from 1 January 2019.</p>
VEN-314	<p>Romania - 5% rate applies to accommodation and restaurant and catering services as from 1 November 2018</p> <p>On 10 January, the Romanian Official Gazette published a law converting into national law an emergency ordinance that extends the reduced VAT rate to hotel services and restaurant and catering services retroactively as from 1 November 2018.</p> <p>Therefore, the 5% VAT rate applies to "hotel services" and "furnished accommodation and renting of camping sites"; "restaurant and catering services" as from 1 November 2018.</p>

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