

# VALUE-ADDED TAX

## Information Leaflet

# Conferences – VAT Deductibility



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R e v e n u e L e g i s l a t i o n S e r v i c e s

This information leaflet which sets out the current practice at the date of its issue is intended for guidance only and does not purport to be a definitive legal interpretation of the provisions of the Value-Added Tax Act 1972 (as amended).

# VALUE-ADDED TAX

## INFORMATION LEAFLET

# Conferences – VAT Deductibility

## Entitlement to deduct VAT incurred on accommodation in connection with attendance at qualifying conferences.

### 1. Introduction

This information leaflet sets out the changes introduced by the Finance Act 2007 in respect of the entitlement to deduct input VAT incurred on attendance at certain business conferences with effect from 1 July 2007.

Prior to the enactment of the new provisions a taxable person could not claim a deduction for VAT incurred on costs for accommodation even where such expenditure was incurred in the course or furtherance of business. The new provisions allow a taxable person to deduct VAT incurred on accommodation in connection with the attendance by him or her or by his or her representative at a ‘qualifying conference’ as defined. A deduction may be made where the accommodation is provided at the conference venue or at a different location.

The entitlement to deduct input VAT relates solely to VAT incurred on costs of accommodation and does not include VAT incurred on expenditure on food or drink. In accordance with normal VAT rules, deductibility is allowed only where expenditure is incurred which is attributable to taxable supplies by a business.

### 2. Definitions

**‘Delegate’** means a taxable person or a taxable person’s employee or agent who attends a qualifying conference in the course or furtherance of that person’s taxable business.

**‘Qualifying conference’** means a conference or meeting in the course of furtherance of business organised to cater for fifty or more delegates. It must take place on or after 1 July 2007 at a venue designed and constructed for the purposes of hosting fifty or more delegates. The person responsible for organising the conference must issue in writing the details of the conference to each taxable person who attends or sends a delegate. These details must include-

- (i) the location and dates of the conference;
- (ii) the nature of the business being conducted;
- (iii) the number of delegates for whom the conference is organised, and
- (iv) the name, business address and VAT registration number of the person responsible for organising the conference.

**‘Qualifying accommodation’** means the supply to a delegate of a service consisting of the letting of immovable goods or accommodation covered in paragraph (xiii) of the Sixth Schedule, for a maximum period starting from the night prior to the date on which the qualifying conference commences and ending on the date on which the qualifying conference concludes.

Effectively, the accommodation covered is that normally provided in a hotel or guesthouse and the maximum period for which deductions or refunds of VAT on accommodation may be claimed is from the night prior to the date the conference begins to the date the conference concludes. In this regard VAT incurred in respect of accommodation for the night the conference ends may be claimed. Where a delegate attends for only part of the duration of the conference, entitlement to deduct the VAT incurred on the accommodation is reduced accordingly. The following examples illustrate the position.

### **Example 1**

A delegate attends a two-day conference which begins on a Thursday morning and concludes at midday on Friday. The delegate arrives at the venue on Wednesday evening and obtains accommodation for three nights. The three-night stay would be viewed as qualifying accommodation and so the VAT incurred on that accommodation would be deductible.

### **Example 2**

A delegate attends part of a two-day conference which begins on a Thursday morning and concludes at midday Friday. The delegate attends on Thursday only. The delegate arrives at the venue on Wednesday evening and obtains accommodation for three nights. Only two of those three nights accommodation would be viewed as qualifying accommodation. The VAT incurred on the accommodation for those two nights only would be deductible.

### **Example 3**

A delegate attends a two-day conference starting on Thursday morning and ending midday on Friday. The delegate arrives on Wednesday and obtains accommodation from Wednesday to Saturday night inclusive. In these circumstances the three nights from Wednesday to Friday are qualifying accommodation. The Saturday night is not and the VAT charge in respect of the Saturday night accommodation is not deductible.

## **3. Claims by taxable persons established in Ireland**

Claims for VAT input credit under this provision should be made on the VAT return in the normal way. Expenditure on accommodation is treated as an overhead cost and VAT charged on it is deductible insofar as it can be attributed to taxable supplies made by a business. Illustrative examples are as follows.

### **Example 4**

A delegate to a conference is engaged in a totally deductible business, e.g. a salesperson in a computer manufacturing company. The subject matter of the conference is selling techniques. In this case the VAT incurred on qualifying accommodation related to that conference would be fully deductible by the manufacturing company.

### **Example 5**

A delegate to a conference is engaged in a non-deductible activity e.g. insurance, which is exempt from VAT. In this case no deductibility would arise in respect of the VAT incurred in respect of accommodation related to that delegate's attendance at a conference.

### **Example 6**

A delegate engaged in financial services, for example, a business involving partially taxable/partially exempt supplies attends a qualifying conference covering banking (a non-deductible activity) and leasing (a deductible activity). In this case the VAT on the accommodation charges associated with attending the qualifying conference must be apportioned between the amount deductible and that which is non-deductible. There are various practical methods for apportioning the VAT and the taxable person may use whatever apportionment method he or she normally uses in relation to overhead costs. Further information on apportionment rules is provided in the leaflet entitled 'Value-Added Tax: A Guide to Apportionment of Input Tax'.  
<http://www.revenue.ie/leaflets/guideapp.pdf>

### **Example 7**

If a taxable person attends a conference on a topic which is unrelated to that person's taxable business, the accommodation charges associated with attending that conference are attributable to non-taxable activities and are not deductible for VAT purposes.

## **4. Claims by businesses established abroad**

Claims for refunds of VAT incurred by delegates from abroad on qualifying accommodation in Ireland may also be made by taxable persons established abroad in accordance with the Eighth or Thirteenth VAT Directives. The Eighth Directive caters for refunds to taxable persons established in other EU Member States. The

Thirteenth Directive caters for refunds to businesses established outside the EU. Entitlement to repayment will arise where the business established abroad is such that it would be taxable if carried on in the State. Claims may be submitted with the appropriate documentation to the following: Office of the Revenue Commissioners, Strategic Planning Division, VAT Unregistered Repayments, 3<sup>rd</sup> Floor, River House, Charlotte Quay, Limerick. (Telephone Lo-call 1890 252449 or 00353 61 212799, Fax 00353 61 402125), e-mail: [unregvat@revenue.ie](mailto:unregvat@revenue.ie)

## **5. Invoices and other documentation**

- 5.1** A VAT refund can be claimed only on foot of a valid VAT invoice for accommodation. This would be issued in the normal way to the taxable person by a hotel or by a VAT registered conference organiser. The accommodation charge must be invoiced to the taxable person. It must not be invoiced to an agent or employee. In addition the accommodation charge must be separately identified from any other goods or services provided e.g. food, drink, etc.
- 5.2** In addition to having a valid VAT invoice the taxable person must retain in his or her records details in writing, provided by the organiser of the qualifying conference, as set out in paragraph 2. The legislation does not define a conference organiser. The term can refer to anyone who is involved in organising a conference whether this is, for example, the hotel hosting the conference, or a professional conference organiser. In this regard the legislation provides that a conference organiser does not also have to be the accommodation provider. The important thing from the claimant's point of view is to ensure that the written details referred to in paragraph 2 are made available to him or her by the organiser.
- 5.3** Claims under the Eighth and Thirteenth Directives by businesses established outside of the State will only be accepted as valid if accompanied by a valid invoice and by the details set out in paragraph 2.

## **6. Records**

VAT legislation requires that taxable persons must retain all records that affect their VAT liabilities for a period of six years. This six-year rule also applies to the details, set out in paragraph 2, which must be issued to the taxable person by the conference organiser. The organiser, whether or not he or she is a taxable person, is also required to retain these details as part of his or her own records.

## **7. Further information**

Enquiries regarding any issue contained in this Information Leaflet should be addressed to the Revenue District responsible for your tax affairs. Contact details for all Revenue Districts can be found by clicking [here](#).

This leaflet is issued by

**VAT Appeals and Communications Branch**  
**Indirect Taxes Division,**  
**Dublin Castle.**