



MAKSU- JA TOLLIAMET

Calculation and refund of VAT

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Refund of VAT paid in Estonia

Legislation

§§ 34-35 of the Value Added Tax Act (hereinafter VAT Act)

Regulation No 66 of the Minister of Finance of 18 December 2009 “The procedure for the refund of value added tax to foreign taxable persons, the format of applications for such refunds of value added tax and the procedure for the refund of value added tax to persons who export goods as humanitarian aid”

Council Directive 2008/9/EC (EU Member States)

Thirteenth Council Directive 86/560/EEC (non-EU states)

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For Estonian taxable persons

REFUND OF OVERPAID VAT TO ESTONIAN TAXABLE PERSON

If VAT calculated during a taxable period is less than the amount of input VAT deductible by the taxable person during the same period, the overpaid amount of VAT shall be refunded to the taxable person pursuant to the procedure provided for in the Taxation Act (subsection 1 of § 34 of the VAT Act).

VAT is refunded on the basis of the provisions of the Taxation Act concerning the refund of overpayments (§§ 105–107 of the Taxation Act). The amount which a person has the right to have refunded is refunded on the basis of subsection 2 of § 106 of the Taxation Act within sixty days as of the date of the receipt of an application unless another term is provided in the Taxation Act. Therefore, the general time limit is 60 days within which the amount of overpaid tax must be refunded. If the application is submitted before the due date for payment of the tax, the overpayment will be refunded within 60 days as of the due date for payment of the tax (subsection 3 of § 106 of the Taxation Act). On the due date provided in an Act concerning a tax or the customs legislation, the tax authority will set off the monetary obligations of a taxable person against his or her claim for refund on the basis of a tax return without the corresponding request of a taxable person. It is therefore no longer necessary to submit an application in order to rewrite overpaid VAT to cover, for example, income tax liability.

You can submit an application for rewriting a claim for refund in: **e-MTA: Accounting - Applications for**

refund and rewriting. The limitation period for submission of an application for fulfilment of a claim for refund is seven years from the date of making the last amendment in the claim for refund. More information in § 106 of the Taxation Act.

The tax authority may, in connection with checking a claim for refund, extend the term for fulfilment of the claim for refund by a reasoned decision for up to sixty calendar days if there is reason to believe that it may be impossible to reclaim the sum paid upon satisfaction of the claim for refund (e.g. at the end of the check the taxable person may be insolvent), and if:

- ✓ the taxable person has been ordered to provide additional proof, or
- ✓ an inquiry to a third person or foreign tax authority has been made in order to check the claim for refund.(subsection 2 of § 34 of the VAT Act)

The term for fulfilling a claim for refund may be extended for up to thirty calendar days at a time. The tax authority shall make a written reasoned decision on extension of the term of fulfilment of the claim for refund not later than five calendar days after the term of expiry of the term of fulfilment of the claim for refund. (subsection 3 of § 34 of the VAT Act).

Upon checking the accuracy of the claim for refund without an application for the fulfilment of the claim for refund, the provisions of subsections 2 and 3 of § 34 of the VAT Act are applied (subsection 4 of § 34 of the VAT Act).

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For taxable persons of another Member State

REFUND OF VAT TO A TAXABLE PERSON OF ANOTHER MEMBER STATE

Since 2010, the VAT refund regime for taxable persons of other Member States has changed.

Therefore, an electronic refund request will be received through a respective portal to the Estonian tax authority, which will start processing the application. The application must be submitted no later than by 30 September of the calendar year following the refund period. VAT is refunded if the amount of VAT in a calendar year is at least 50 euros and for a shorter period 400 euros. A more detailed procedure for the

refund of VAT paid in Estonia by a taxable person of a foreign state has been established by a regulation of the Minister of Finance.

A taxable person of another Member State is entitled to a refund of VAT only on goods and services in respect of which the Estonian taxable person is also entitled to deduct input VAT. For example, VAT cannot be refunded if goods or services were acquired to receive guests, cater for or accommodate staff (except in the case of a business trip).

More information: [EU VAT refund system](#).

Additional information

vatrefund@emta.ee

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For taxable persons of non-EU states

REFUND OF VAT TO A TAXABLE PERSON OF A NON-EU STATE

The main difference between the refund of VAT to a taxable person of a non-EU state (hereinafter third country) and a taxable person of another Member State is that, in the case of a third country, the principle of reciprocity in the refund of VAT is applied, i.e. VAT is refunded to a taxable person of a third country if the third country also refunds VAT to a taxable person of Estonia. **An exception is a person from a third country applying the special VAT scheme for the supply of services, intra-Community distance sales and the supply of goods via an online marketplace (OSS special scheme) who, as of 1 January 2022, is entitled to a refund of the input VAT relating to such supply, irrespective of whether or not an Estonian person is entitled to a refund of VAT in the person's country of location, and regardless of whether the person is a taxable person for VAT purposes in the country in which the person is located.**

VAT paid by a third country taxable person in Estonia upon the import or acquisition of goods, except immovables, or receipt of services used for business purposes shall be refunded to the third country taxable person if:

1. the taxable person is required to pay VAT as an undertaking in the country of location the person;

2. the amount of VAT to be refunded per calendar year is at least 320 euros;
3. taxable persons of Estonia have the right to deduct input value added tax paid upon the import or acquisition of goods or receipt of services under the same conditions from their calculated VAT;
4. in the country of location of the third country taxable person, Estonian residents have the right to the refund of VAT.

For example, Estonia refunds VAT to taxable persons from Norway, Iceland, Israel, Switzerland and the UK on the basis of the principle of reciprocity.

A taxable person from a third country must submit a written application (form KMT) in accordance with the procedure established by the regulation of the Minister of Finance no later than by 30 September of the current year to be refunded VAT paid in Estonia in the previous calendar year on the import/acquisition of goods or receipt of services. The taxable person of a third country must attach correct invoices to the application, as well as a certificate issued by the tax authority of the country of location stating that the person is liable to VAT in the country of location.

[Application for refund of value added tax to taxable person not established in the Community | 172.44 KB | pdf](#)

After checking the application and the documents, VAT will be refunded within six months of receipt of the application. The refundable VAT will be paid to the bank account specified in the application. If the refund is applied for to a bank account in a credit institution located in a foreign country, the fees charged by the credit institution for the transfer will be deducted from the amount to be paid to the applicant.

The Tax and Customs Board will return all invoices submitted to it and documents certifying payment of VAT on imported goods to a taxable person of a third country together with a copy of the application.

Additional information

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