Refund of VAT paid upon the acquisition of a new means of transport

REFUND OF VAT PAID UPON THE ACQUISITION OF A NEW MEANS OF TRANSPORT IN SPECIAL CASES

A person who purchases a new means of transport from another Member State is liable to pay VAT in his own country (i.e. the country in which the means of transport will be used) even if the seller has been paid the VAT of the country in which the seller is established.

In order to avoid the accumulation of VAT, a person who is not entitled to deduct input VAT is entitled to claim a refund of the VAT paid on the acquisition of a new means of transport or calculated on the purchase price after the delivery of the new means of transport to another Member State, provided that he proves that VAT on the intra-Community acquisition of those goods has been paid in another Member State. VAT must be refunded in an amount not exceeding the VAT calculated on the usual value of the new means of transport determined upon the delivery of the new means of transport to the other Member State (subsection 7 of § 35 of the VAT Act).

Pursuant to Regulation No 75 of the Minister of Finance of 7 April 2004, a person must submit an application for refund of the VAT paid upon the acquisition of a new means of transport to the tax authority. The application must indicate the bank account number to which the amount to be refunded will be transferred.

The application should be accompanied by:

1. contracts for the purchase and sale of a new means of transport;
2. a certificate validated by the tax authority of the Member State concerned, proving that VAT has been paid in another Member State on the intra-Community acquisition of the goods.

The tax authority will verify the compliance of the application and the documents annexed thereto with the conditions specified in the regulation and transfer the amount to be refunded to the account specified in the application **within one month as of the date of receipt of the application**. If the documents to be added to the application are submitted after the submission of the application, the VAT will be refunded within one month as of the date of receipt of the documents. If VAT is transferred to an account with a credit institution located in a foreign country, the costs related to the refund will be borne by the recipient of the VAT refund.

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