



EXCLUSION OF VAT IN H2020

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COST Targeted Network TN1302: BESTPRAC

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FORMAL BACKGROUND

- Slovenian VAT Law – article 65/7
- Council directive 2006/112/EC on the common system of value added tax – article 73
- H2020 Multi-Beneficiary General Model Grant Agreement

VAT DETERMINATION

- Linkage with economic consumption
- Successor of sales tax
- Input/output VAT
- Various levels of VAT tax

OPTIONS

- VAT is deductible – VAT represents ineligible costs
- VAT is partially deductible – non-deductable VAT represents eligible costs
- VAT is non-deductable – entire VAT represents eligible costs



VAT is deductible

- Used primarily in enterprises
- In case of growing portion of EU-funded projects → transition to partly deductible VAT or non-deductable VAT

VAT is partially deductible

- According to our law VAT can be partially deductible (internal calculation)
- Problem of anticipated percentage of deductible share
- In other EU schemes problems with argumentation with internal calculation
- Non-deductable VAT represents costs – representing eligible costs in a project

VAT is non-deductable

- Optimal option in our organization:
 - Invoice amount equals claimed expenditure
 - Less administration at bookkeeping
 - Less administration at financial reporting
 - Resistant alternative to organization VAT changes

PROJECT VAT EXCLUSION

- Application with project description
- Separate bookkeeping statement
- VAT exclusion statement
- Statement regarding final beneficiary
- Open access statement

H2020 VAT OVERVIEW

- Official VAT document – in SI issued by tax authorities (proof of VAT exemption not older than 6 months)
- VAT eligible in H2020 compared with non-eligible status in FP7
- Avoiding „unidentifiable“ VAT