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**From:**

**Sent:**

**To:**

**Subject:**

[Redacted]  
20 May 2019 22:52

Finance Foodsuppl

Consultation on the VAT Treatment of Food Supplement Products

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## Consultation on the VAT Treatment of Food Supplement Products

[Redacted] Response to The Department of Finance's Consultation on the VAT treatment of Food Supplement Products

May 2019

Response sent by email to [foodsuppl@finance.gov.ie](mailto:foodsuppl@finance.gov.ie)

**Summary:** Having read the Document published by the Department in 19.04.19 titled Consultation on the VAT Treatment of Food Supplement Products, we respectfully reject all 4 options presented by the Department. Instead, we would like to vote for the option of retaining the zero rate on Food Supplements, because the rate for most food supplements has been zero since 1973 when vat was first applied to goods in Ireland, we would argue that this rate should and can remain in force.

### Overview

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We stock a wide range of goods including foods, wines, fruit and vegetables, food supplements, herbal medicines, household goods and natural cosmetics. Our customers are from all kinds of backgrounds; but their main concern is to stay healthy, and to do so by eating natural unprocessed foods and by using food supplements to maintain good health.

The reasons we have for rejecting the imposition of a 23% VAT or 13.5% VAT in food supplements include the following:

- Adding VAT to these products will drive up prices of vital food supplements.
- Punishing consumers financially who are pro-actively looking after their health and thus reducing the burden on the health service is counter productive.
- Higher prices will negatively affect consumers, many of whom have poor health and take food supplements to maintain health
- Higher prices will also have a negative impact on the over 2000 small and medium sized companies involved in the retail and importing of food supplements in Ireland, possibly resulting in staff layoff and businesses closing; certainly affecting our ability to invest and grow our businesses
- Our business depends on the sale of food supplements; if this sector was affected by VAT we estimate our staff will shrink for the first time in over 25 years.
- Higher prices will disproportionately affect children and older people as they don't have sufficient incomes but still need food supplements for good health (Vitamin D for example, and calcium for bones)
- During the spring we heard from a lot of Irish citizens who consider food supplements to be important to their health, and increasing prices due to VAT will negatively impact their ability to effectively safeguard their health and manage a range of conditions.

- Our customers, when told that 23% VAT was going to be applied to food supplements, were genuinely horrified and outraged. They simply could not believe that this was being proposed. In their name we are arguing for a different perspective to be taken on this issue.
- According to Europe, Food Supplements are 'food' and as such should be treated as food in tax law. <https://www.efsa.europa.eu/en/topics/topic/food-supplements>
- We find it inexplicable that unhealthy foods such as frozen chips and frozen pizza should be zero-rated but food supplements have VAT applied
- We are an online business as well as a physical business, and in the online world, price is everything. Our best sellers online are all food supplements. As a small business we simply could not compete with the larger UK and EU retailers if VAT is applied here in Ireland, at any level, to food supplements. Hence sales would be lost to overseas, as they are in so many sectors, which will reduce revenue overall.

