

RE: Proposed vat on food supplements

On behalf of my customers, my staff and my family business I am pleading for retaining a 0% vat on food supplements. Don't tax our health. Don't put added financial stress on the public who are trying to stay out of the hospitals.

This submission is in addition to the submission entered by The Association of Health Food Stores on my behalf. I will address how I fear any added tax will affect my business, my customers and revenue in Ireland.

The mistruths that we have been selling outside the guidelines and abusing the concession is a disgrace and an insult to the many small and honourable family run healthfood stores and pharmacies in Ireland.

Background As a health food store owner [redacted] this tax would affect so many of our locals alone. [redacted] it has been eye opening to see how many people are actively looking after their health and trying their best to stay well and relieve symptoms of minor and major diseases by eating healthily and supplementing where necessary. [redacted]
[redacted]

1. Our customers: We have had a petition on our counter against this vat increase and have filled pages upon pages of names by the many who will simply not be able to have such a quality of life if this vat comes in. (One pensioner pointed out that the pension increase will not cover the added costs the vat will add on her supplements). People rely on these products and are advised by doctors and the HSE to take these products. It is not just a minor part of the population who are trying out far flung new products that are 'hot and trendy at the moment'. We are talking about expectant mothers taking iron, vitamins and folic acid; baby's with painful reflux taking probiotics where nothing else helps them; elderly people taking fish oils, calcium, glucosamine or natural anti-inflammatories as recommended by their doctors and health associations of arthritis, osteoporosis and diabetes; workers, mothers, nurses, (everyone!) looking for vitamin C, vitamin D, multivitamins. Probiotics needed after anti-biotics. The list is endless of people who have found they can maintain their health and fitness and stay out of the doctor's office and pressurised health system by finding the health supplements that suit them alongside a healthy diet.

2. 'My staff and business is at risk' How this will affect my business [redacted] [redacted] is definitely bleak. At the moment with Brexit our future is already up in the air while trying to figure out how will we order for the next few months from English suppliers and possibly re-arrange our systems to be vat compliant. Revenue are already sending us

scary letters to 'be Brexit ready.' The messiness of figuring out possible added vats from Brexit and also changes prices of everything in store if this 23% comes in (to unaffordable prices) and being vat compliant is insane. We already pay high wages, taxes and rates and contribute greatly to our town. The removal of our business to the main street will be a loss to our high street.

3. Affects majority of population

These stores seem to be surviving just fine as there's enough of a demand to sustain them all. It goes to show how many of our local general public will be affected by this vat increase.

The HSE urges Vitamin D for everyone from babies to the elderly. There are over 915,000 people in Ireland living with Arthritis and many of these people would use food supplements to help ease their symptoms.

4. Unbalanced tax distribution The sugar tax was introduced last year and this only applies to fizzy drinks. The bag of sugar in the supermarket will still have a zero VAT rate. So, the sugar you buy in the supermarket will have no VAT, but the food supplement you buy to look after your health will have 23% VAT.

The suggestion of a reduced rate of 13% is not a happy compromise. It is just a slightly smaller burden on the population's health bills. Why is there a need to add a burden at all? There are many foods that are bad for our health on a zero rate and take away food is at 13.5%. How could there even be a suggestion that the use of something that benefits our people and our health system be taxed.

5 Loss of Revenue The theory that this tax would bring in more revenue to the country because the health industry and particularly natural alternatives are growing is not the case. Regular users will simply turn to online purchases from foreign websites such as i-herb sending that revenue out of the country.

6. Imposed dangers Due to a push towards online purchases customers will be at risk of self medicating and/ buying the wrong product or an inferior product. Just because products are natural does not mean they cannot do harm when used inappropriately. It is vital that customers get advice on the products they buy. This is offered free of charge in the many health food stores across Ireland.

7. Impacting job opportunities Healthfood stores employ trained nutritional therapists thus keeping our educated youth in the country. We pay for numerous training days throughout the year to ensure knowledgeable and safe selling of the products.

8. Testimonial This is a testimonial from a customer of mine who took the time to email me. Her story is like many others who use natural supplements.

As I was still a young woman, this upset me greatly. I began to research food & exercise. I went on courses & began taking control of my own health.

This included growing organic vegetables & eating a balanced diet, taking supplements where needed including, Vit C & D to strengthen my immune system in the winter. No flu in 11 years. Magnesium to sort restless legs & help me relax & sleep, also to help reduce BP level. Glucosamine for my joints. B complex for my nerves & reduce homocysteine levels. CO Q 10 for high blood pressure. I also take a course of Cranbiotix at the beginning of each season to keep away cystitis.

I am also celiac & am now feeling a lot better. I am aware of my body & health & believe that with the right advice, supplements are important part of my life & keeping me out of the crowded hospital & doctors surgery.

If vat is added, I will not be able to purchase supplements as they are already expensive.

I want to stay healthy & stay away from doctors & hospitals as long as I can.

In Closing I repeat the words of the Health Food Stores Ireland: **Doing nothing is not an option.** The legally dubious Revenue guidance implementing the Standard 23% VAT rate for all food supplements will be applied from 1st November 2019 unless it is counteracted by the Finance Act which implements Budget 2020. It is therefore vital that Budegt 2020 clearly and unequivocally sets out the VAT position with regard to food supplements.

Yours sincerely,