

[redacted]

From: [redacted]
Sent: 23 May 2019 19:27
To: Finance Foodsuppl
Subject: Email in support of the submission by Health Stores Ireland

Dear Sir or Madam,

[redacted] am writing to express my support for the submission made on behalf of member stores by Health Stores Ireland.

In the submission, Health Stores Ireland make the case for maintaining the situation as has been for VAT at zero percent for food supplements. This rate has been applied historically on the basis of past treatment and the fact that food supplements are, in fact, foods and have been treated as so by the FSAI and other bodies. It has never been the case that this was a concession as has been suggested by Revenue and this is supported by evidence in the Health Stores Ireland submission. I echo and support this submission and was disappointed, as were Health Stores Ireland, to see that the document only suggests a rate of 23% or 13.5%. This is not the situation as it has been since the introduction of VAT, and nor should it be so going forward.

Food supplements make up a large part of our annual sales and are a key component of our business. They are purchased widely by a large cross-section of our customer base from parents of infants buying the recommended vitamin D drops to elderly people seeking to keep vitamin and mineral levels at an optimum level even as their appetite and capacity for cooking a balanced diet wanes. It is a point of fact that vitamin and mineral levels in fresh foods are lower across the board than they were some fifty years ago so that, even if a person should eat a well balanced diet, they may still not be able to access all the nutrients they require for optimum health, without taking food supplements. There are, of course, also large numbers of people who are not in good health and who require supplements to maximise their well-being. Often times these are being recommended by their primary healthcare provider.

Government policy has, in recent years, been aiming to improve the health of constituents and, as such, applying VAT to products which people are using to keep themselves in good health, seems a retrograde decision. Often people are keeping themselves in better health by using food supplements, which means they are staying out of the healthcare system and, thus, reducing the burden on the public purse. Why should they be taxed more for these decisions than those who choose to eat fast food meals, with a VAT rate of just 13.5% who are hugely more likely to end up with heart problems, bowel problems or diabetes?

The health food trade is a relatively small market group. Many stores are independently run and are family owned. In this era when chain stores are taking over the high streets and small businesses are closing in towns all over the state, health food stores make some of the most vibrant offerings on small town high streets. The application of VAT at 23%, rising from a zero percent rate on all but certain products (notably beauty and sports nutrition ranges) will be the nail in the coffin for many of this small businesses. Such a huge increase in one move seems, in fact too, to be unprecedented. Small businesses are already dealing with the uncertainty and currency fluctuations caused by Brexit. Adding this tax burden will mean that continued business will be impossible for many, leading to more closed shopfronts and many job losses in the industry. [redacted] may have to lay people off should this tax measure go ahead. It is also possible that I would have to close my doors as margins are already tight and a loss of supplement sales to offshore online stores would drastically reduce turnover. Ironically, it would also mean that my loss of business did little to boost revenue coffers as these businesses would not be paying tax in the state in any case.

I urge you to strongly consider the case put forward by Health Stores Ireland and to allow the VAT rate on health foods to remain at zero percent as it has, in fact, been since the introduction of VAT.

Yours sincerely,