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From: [redacted]
Sent: 24 May 2019 10:30
To: Finance Foodsuppl
Subject: Response to Consultation Paper re VAT on Food Supplements

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The imposition of VAT would be an absolutely enormous blow to public health as it would bring all food supplements, vitamins, mineral, fish oils, probiotics and the like out of the 0% VAT category for the first time. This is not a minor administrative change as the consultation paper appears to suggest. On the contrary, quite literally thousands of health products will now be liable for 13.5% or 23% VAT when they have been zero rated for over 40 years. This will have a huge impact on so many people from older people taking supplements to manage conditions such as arthritis, osteoporosis or macular degeneration, women going through the menopause, pregnant women, people trying to manage IBS, young families needing a cough bottle for their child or people just trying to lead a healthier lifestyle.

According to an iReach survey commissioned by the IHTA, 71% of Irish people buy health vitamins and minerals all year round, with 73% of those regular consumers doing so to maintain and improve ongoing adult health. To put such a huge tax on products that have a positive impact on people's health makes no sense, and goes against the Government's own Healthy Ireland initiative. We will be in the ridiculous situation that the VAT on vitamin C will be at a higher rate than VAT on a McDonald's Big Mac and fries!

The imposition of VAT on food supplements will have a devastating effect on our business. At the moment some 40% of our turnover is vitamins, minerals and fish oils at 0% VAT. For the past 40 years, there has been a 0% Vat rate on food supplements. An immediate 23% increase is unprecedented. At the very least it would cause us to cut staff hours, and it may force us out of business altogether.

The imposition of VAT, even at the lower rate, would put many of these products beyond the reach of our customers. Not only would this have a huge impact on our sales and viability, it would also force many elderly and vulnerable customers and young families to fall back on the already overstretched Health Service. In a small town [redacted] it can take 7-10 days to get a GP's appointment, which is why so many people end up in the overcrowded A&E Department [redacted] In that context, is it really sensible to tax people's ability to manage their own health?

Most health stores and pharmacies are small independent [redacted]
[redacted] 2019 was always going to be a difficult year for us with Brexit bringing uncertainty on exchange rates, potential tariffs, increased administration and even availability of products. We have received correspondence from Revenue asking us to become "Brexit Ready". Is Government really sugessting that the best way for our small business to prepare for Brexit is to increase many of our prices by 23%?

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[redacted] The imposition of VAT on food supplements will have a negligible impact upon Government revenues, but will have a disproportionate impact on a business like ours and hammer another nail in the coffin of a rural community.

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