

PERFORMING ARTS FORUM

VAT 2018 // FACTSHEET

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Factsheet – VAT

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Introduction

- This Fact Sheet sets out some general VAT principles and addresses some key VAT issues which arise for members of Performing Arts Forum .
- This Fact Sheet is aimed at all sectors of the arts industry to include individuals, organisations (small, medium and large), venues and production companies.
- The information contained herein takes into account written Revenue guidance and also makes reference to some relevant legislative provisions.

The Fact Sheet is intended to provide some basic assistance to members in relation to VAT, and is not a statement of the law in any particular area. Specialist advice should be sought. All references are to Irish VAT unless otherwise stated.

Part A – General VAT Commentary

A key point in relation to the application of VAT is that it applies to the supply of taxable goods and services, so the nature of what is being supplied is important and not necessarily who is making the supply. Therefore, VAT could be applicable to or have an impact on all persons operating in the arts world, irrespective of the size of the operator.

1. What is VAT?

- VAT is an indirect tax and taxes value-added on the sale of goods or services.
- VAT applies to the supply of goods and services which are considered to be taxable supplies (i.e. the supply does not fall within the category of exemptions) and which are carried out by certain persons called taxable persons in the course of business.
- Taxable persons are individuals, partnerships, companies etc. which are registered or are obliged to be registered for VAT (*see below for registration thresholds*).
- The underlying aim of the system is to leave a VAT registered trader who supplies taxable goods and/or services in a VAT neutral position.

2. Rates of VAT

The different rates of VAT which apply in Ireland are as follows:

- 23% - the standard rate.
- 13.5% - the reduced rate
- 9% - the second reduced rate [applicable since 1 July 2011 to certain goods and services].
- 4.8% - this rate applies to the sale of livestock.

- 0% - the zero-rate.
- Exempt – this is more a status than a VAT rate.

The following are some examples of VAT rates applicable in the performing arts sector.

Description	VAT Rate	Comment
Art classes	Exempt	Includes training in arts and crafts
Ballet	Exempt	Exemption relates to training or lessons
Circus box office takings	Exempt	
Cultural bodies recognised by Revenue Commissioners	Exempt	
Elocution lessons	Exempt	
Live musical performances – box office takings	Exempt	
Music teaching	Exempt	
Live theatrical performances - box office takings	Exempt	
Theatre agency – ticket booking fee	Exempt	Provided booking fee is part of face value of tickets otherwise liable at 23%

Description	VAT Rate	Comment
Admissions to art galleries	9%	Admission to exhibitions or to view only.
Admissions to Stately homes and wildlife parks	9%	
Admissions to museums	9%	
Admissions to national aquarium	9%	
Admissions to cabaret	9%	
Carnivals	9%	Excludes receipts from gaming and amusement machines (23%)
Cinema box office takings	9%	
Commissioned animated film	9%	

Description	VAT Rate	Comment
Original paintings/sculptures	13.5%	If sold under margin scheme/special auction scheme – 23% on the margin

Description	VAT Rate	Comment
Art agents	23%	Relates to agent who arrange commission for artists
Admission to dances	23%	
Artwork design	23%	Includes adverts and commercial drawing
Artists design services	23%	
Cabaret artistes	23%	
Choreographers	23%	
Cinematograph film	23%	
Dance bands	23%	Registration threshold of €40,000 applies.
Dance lessons	23%	Only ballet lessons are exempt
Dinner dances	23%	Different treatment for private and public dinner dances
Discotheques/night club admissions	23%	
Freelance writers	23%	
Playwrights	23%	
Services of actors and artistic performers	23%	The registration threshold for services applies (i.e. €40,00)

3. Exempt Activities

The supply of cultural services and of goods closely linked thereto, by any cultural body is exempt from VAT. This applies whether the cultural body is established by or under statute or otherwise. The cultural body must be recognised as such by the Revenue Commissioners to qualify for exemption.

Exemption from VAT applies to the promotion of and admissions to live theatrical or musical performances (e.g. plays, opera, ballet), incl. circuses. However, the exemption does not cover activities such as dances or performances where facilities are available for the consumption of food or drink during all or part of the performance by persons attending the performance (*see below*).

Venues which are involved in either the promotion of live theatrical or musical performances or admit audiences to such shows are treated as being VAT exempt (i.e. no VAT arises on the admission price).

The exemption from VAT covers promotion charges and admission fees for all live events in venues where there are no facilities available for consumption of substantial snacks, hot food or alcoholic drink.

Revenue concessionally disregards the supply of certain items of food and drink (*see table below*). Exemption applies to events where certain cold snack foods, confectionery and soft drinks can be consumed during the performance.

Food		Drink	
Confectionery:	<ul style="list-style-type: none"> • Packets of sweets • Bars (e.g. chocolate) • Chewing gum • Lollipops etc. 	Soft drinks:	<ul style="list-style-type: none"> • Carbonated (fizzy) drinks • Fruit juices • Milk • "Smoothies" and other milk or yoghurt based drinks • "Slushies" and similar ice drinks
Savoury snacks:	<ul style="list-style-type: none"> • Crisps and similar snacks • Peanuts • Popcorn (incl. heated) 	Water:	<ul style="list-style-type: none"> • Still bottled water • Sparkling bottled water
		Hot drinks:	<ul style="list-style-type: none"> • Tea • Coffee • Hot chocolate

Promotion of and admission to any indoor live theatrical or musical event will be exempt where no substantial snacks, hot food or alcoholic drinks:

- Are supplied to persons attending the event during any part of the performance,
- Are available for purchase during any part of the event in the room in which the performance is taking place,

- Are available for purchase at any part of the venue which can subsequently be taken by persons attending the event or on their behalf into the room in which the performance is taking place.

Therefore, the promotion of or admission to events where facilities are available for the consumption of substantial snacks, hot food or alcoholic drinks during all or part of the performance by persons attending the performance are not exempt.

However, if it is the stated and enforced policy of the management that the following conditions are adhered to, then the event (any indoor live theatrical or musical event) remains within the exemption:

- Substantial snacks, hot food or alcoholic drink are only available in a separate part of the venue from that in which the performance takes place,
- The performance is not visible from the area where the substantial snacks, hot food or alcoholic drinks are available,
- Patrons are not permitted to take substantial snacks, hot food or alcoholic drink into the part of the venue where the performance takes place at any time during the performance.

4. Taxable Activities

The exemption from VAT for promotion and admission to live theatrical and musical performances in venues does not apply where there are facilities available for consumption of substantial snacks, hot food or alcoholic drink.

Venues which provide facilities where food or drink can be consumed during some or all of the performance, then such venues will be treated as carrying on a VATable activity and VAT will arise on the admission price.

“Dances” which are promoted in the course or furtherance of business come within the scope of VAT. Dances include all public dances i.e. functions or gatherings which include dancing and which are open to the public on payment of an admission charge or on pre-purchase of a ticket (e.g. cabarets, discos, socials and dances run by sports clubs). It does not include private dinner dances where admission is not open to the public.

The 9% rate of VAT applies generally to:

- Cabaret and other performances where consumption of substantial snacks, hot food or alcoholic drink are associated with the performance.
- Musical or comedy performances in theatres, public houses and other venues where substantial snacks, hot food or alcoholic drink are served during the course of the performance.

- Performances in hotels, restaurants or other establishments where substantial snacks, hot food or alcoholic drink are supplied in conjunction with the performance.
- Outdoor concerts where substantial snacks, hot food or alcoholic drinks are available within the confines of the venue.

The second reduced rate of 9% VAT applies to admissions to exhibitions which are of a kind normally held in art galleries and museums and where the objects of the exhibition are of historical, cultural, artistic or scientific interest (which are not services supplied by any cultural body as defined earlier).

Therefore, the admission price to such exhibitions is liable to VAT at 9%. As a result, VAT incurred by the art gallery or museum on associated costs (i.e. costs associated with such taxable activities) would be recoverable where it is VAT registered.

However, if the exhibition is held in the premises of a cultural body as defined, the admission price is exempt from VAT and VAT incurred on associated costs would be irrecoverable. Where no admission price is charged (i.e. entry to exhibition is free), then no VAT liability arises. VAT incurred on associated costs (e.g. advertising costs, transport costs etc.) is irrecoverable. Admissions to all other types of exhibition are taxable at the standard rate, currently 23%.

5. VAT Registration

Certain activities are exempt from VAT and there is no entitlement to register for VAT in such cases. There is an exception to this where an exempt person or entity acquires goods from other EU countries or receives certain services from overseas.

No VAT arises on exempt supplies and as a result there is no entitlement to reclaim any VAT incurred in respect of purchases relating to the exempt activities.

If the turnover of a taxable person exceeds (or is likely to exceed) certain registration limits, then VAT registration is obligatory. The registration thresholds which are currently in effect are in the main €37,500 for services and €75,000 for goods, although there are some minor rules in relation to zero-rated supplies and combinations of goods and services.

Where the registration limits are not exceeded, there is also the option to elect to register for VAT but this option only applies to the supply of taxable goods or services.

6. Place of Supply Rules

Place of supply rules are relevant where there are supplies of goods and services across borders. With effect from 1 January 2010, there are two general place of supply rules.

In the case of supplies by businesses to businesses (B2B), the place of supply is the place where the customer is established. The reverse charge will apply and the customer will self-account for VAT in their Member State.

In the case of supplies by businesses to consumers (B2C), the place of supply is the place where the supplier is established (the consumer would incur foreign VAT).

The reverse charge procedure applies to a wide range of services. The services of most relevance in this sector are the supply of services in connection with cultural, artistic, sporting, scientific, educational and entertainment or similar activities.

For clarification purposes, the relevant rules are as follows:

- If the supply of services and of any ancillary services is in respect of or related to admission to a “cultural, artistic, sporting, scientific, educational, entertainment or similar event, such as a fair or exhibition”, and the supply is to a taxable person (business), then the place of supply is the place where that event actually takes place.
- If the supply of services and of any ancillary services is in respect of or related to admission to a “cultural, artistic, sporting, scientific, educational, entertainment or similar activity such as a fair or exhibition” (including the supply of services of the organiser of such an activity), and the supply is to a non-taxable person (consumer), then the place of supply is the place where that event actually takes place.

The place of supply in the case of admissions to an event is always where the event takes place (it is irrelevant who the customer is).

But the place of supply in the case of the organisation of an event is dictated by the VAT status of the customer. In B2B supplies the reverse charge will apply and in B2C supplies, the supplier will charge VAT.

These rules do not alter the VAT rate or exemption applicable to the particular supply and in the case where the place of supply is Ireland, then the Irish VAT rules as outlined in this Fact Sheet will continue to apply.

7. Recovery of VAT

The entitlement to recover VAT depends on whether or not the business is engaged in a taxable or exempt activity.

VAT on expenses directly related to exempt activities is not recoverable. For example, if a production company is only engaged in exempt activities, VAT on its associated costs on set design, purchase of costumes etc. would not be recoverable.

An exempt business which also carries out taxable activities is entitled to recover VAT in respect of those taxable activities. Taxable activities would for example be the operation of a sweet shop/bar/café/restaurant on the premises and VAT on expenses directly related to such supplies is fully recoverable.

VAT on expenses directly related to taxable activities is fully recoverable. For example, a venue which holds only events which are taxable as hot food and alcoholic drinks are available (*see above*), would have input VAT recovery on all of its costs.

8. Non-Deductible VAT

VAT incurred by any type of business on the following items is not recoverable irrespective of whether the business is carrying on a taxable or exempt business:

- Expenses incurred in providing food and drink or accommodation or other personal services. Example – a production company which provides food and drink for its employees would have no entitlement to recover the VAT element of such costs.
- Entertainment expenses. Example – a production company/venue manager which incurs VAT on entertainment costs for clients would have no entitlement to recover such VAT.
- Purchase/hiring of passenger cars.
- Purchase of petrol.

Once registered for VAT, the taxable person will receive bi-monthly VAT returns in which VAT on sales and purchases is accounted for. Where a VAT liability arises this is generally paid with the VAT return or alternatively if a VAT refund is due, this will be repaid to the taxable persons' bank account. Care must be taken to ensure that only VAT relating to the taxable activities (excluding the non-deductible items referred to above) is reclaimed.

9. Apportionment of VAT

In cases where an exempt business engages in both taxable and exempt activities and VAT incurred on expenses cannot be directly attributed to either of these activities (for example, accountancy/audit fees, light and heat, etc.) then an apportionment of the VAT should be carried out.

Such an apportionment is generally based on taxable turnover to total turnover (as required by the VAT legislation) but other methods could be used. Therefore, certain businesses may have a particular percentage of VAT recovery and this is generally as a result of it carrying on both taxable and exempt activities.

An example would be a theatre whose primary activity is the admission to theatrical performances and which also operates as a late night venue where food/drink can be consumed during the performance. The VAT incurred on costs related to the admissions is not recoverable and the VAT related to the late night venue operation is recoverable. Any VAT which cannot be attributed directly to either activity is apportioned and an example could be the ESB bill where only a percentage of the VAT is recoverable.

Part B – VAT & Specific Topics for the Arts Sector

1. VAT treatment of income in theatres/venues

	Promotion of and admission to shows ¹	Programme sales ²	Letting (*see below)	Bar/Shop/ Restaurant Advertising and merchandising
(1) Theatre/venue owners who let the property to theatrical companies	Not applicable	Not applicable	Exempt with option to tax possible	Taxable subject to registration limits
(2) Theatre/venue owners who promote shows in their own theatres/venues and sometimes in other theatres/venues	Exempt, unless hot food and alcohol served (9%)	Exempt, unless event is taxable (9%)	Not applicable	Taxable subject to registration limits
(3) Combination of (1) and (2)	Exempt, unless hot food and alcohol served (9%)	Exempt, unless event is taxable (9%)	Exempt with option to tax possible	Taxable subject to registration limits

Notes:

- Shows = live theatrical or musical performances including circuses (which are exempt from VAT and do not fall into the 9% category – *see above*). Please refer to section 3 and 4 of Part A for more detail.
- Programmes = means programmes produced in conjunction with live performances which are exempt (unless hot food and alcohol is served).

The reference in column 3 to “exempt with option to tax” relates to lettings of any duration post 1 July 2008 which are exempt from VAT. It is possible for a landlord to opt to tax the letting whereby the rental income will be liable to VAT at 23% and a right of input VAT recovery arises. There are specific rules as to when an option to tax applies and how to opt to tax.

In circumstances where any members are sub-letting or renting out part of their property for training, master classes or as office space for example, then advice should be sought in relation to their specific case with respect to the VAT implications arising as VAT & Property in particular is a very complex area. See also section n9 below in relation to licences.

2. Foreign Artists Earnings (Non-established performers)

- The promoter, agent or other person who commissions a performance or event (referred to as the “promoter”) and engages a non-established performer or artist is automatically liable for the Irish VAT due on the artists’ fees.
- Where the performer is not established in the State, the promoter must account for VAT under the reverse charge procedure.

- This means the promoter pays the VAT direct to the Revenue as if he – the promoter – had supplied the artistic service himself. This is irrespective of the level of turnover or quantum of the artists/performers fee.
- This represents an absolute cost to the promoter if the admission price to the event in question is VAT-exempt. This is because there is no input VAT recovery for costs associated with exempt events. If the admission is VATable, the promoter will be entitled to a deduction and no irrecoverable cost arises.
- In circumstances where an artist (e.g. foreign theatre group) is not paid a fee for their services and no guarantee is given to the artist that they are entitled to receive a share of the box office receipts; but ultimately a share of the receipts are given, then the rules outlined above apply. This means that the promoter or venue provider will be liable to account for any VAT due.

3. Premises Providers

- There are also obligations applicable to “providers of premises” where a non-established promoter arranges for the supply of cultural, artistic, entertainment or similar services and where a non-established trader sells goods on the premises.
- Certain information has to be provided to the Revenue Commissioners (within a specific time frame – 14 days prior to the event) in the absence of which the providers of premises may be held jointly and severally liable for any VAT liability.
- Where non-established performers or any other non-established traders make sales of merchandise such as CDs, posters, t-shirts etc. at a venue in the State, they are obliged to register and account for VAT on all such sales and all other supplies made by them.

4. Self-Promoting Performers

Any payment received by a self-promoting performer is to be apportioned between the performance and the promotion and it is the responsibility of the performer to satisfy Revenue that the correct apportionment rate has been used.

If a self-promoting performer can show evidence of real work carried out in the promotion of the event, Revenue will accept that a portion of the payment received by a self-promoting performer may be treated as being in respect of the promotion up to a maximum of 40% of the total (which will be either exempt or taxable depending on the event). The remainder (at least 60%) is treated as being for the performance and liable to VAT at the standard rate, currently 23%.

The self-promoting performer will need to demonstrate that the correct apportionment rate has been used and provide evidence of this e.g. by showing a breakdown of the costs involved in each activity, or details as to the level of work involved in each activity. Detail of the specific evidence required is not outlined but it would be prudent to retain documentation which would demonstrate the level of involvement in the promotion of the event.

5. Ticket Sales

The sale of a ticket by a promoter, ticket agent or distributor is the supply to the customer of the right of admission to an event.

- Where the event comes within the exemption, VAT does not arise on the ticket sales.
- Where the event does not come within the scope of the exemption, the person (promoter, ticket agent or distributor) who sells a ticket is liable to account for VAT on the full sale price at the VAT rate appropriate to the event. The full sale price is the face value of the ticket and all booking charges and fees whatsoever including any commission charged by the promoter.
- Where tickets are sold in advance of the date on which the event takes place, the payment is liable to VAT at the time of payment.

6. Artists' Royalties

Royalties are treated as payment for the supply of a service. VAT is chargeable on royalties. However, in the case of an Irish artist, this depends on whether or not the artists' turnover exceeds the relevant registration thresholds. If an artist does not have a turnover such that s/he is obliged to register for VAT, then no VAT would be chargeable. The registration threshold currently for the supply of services is €40,000.

The artist would be required to charge VAT to all Irish persons paying royalties and account for this VAT amount to the Revenue Commissioners. Note that it is the total turnover receivable by the person acting in an independent capacity (i.e. self-employed) that is reckonable for the purposes of the threshold, and not just royalty amounts.

In the event that a VAT registered artist receives royalties from a person outside of Ireland, the royalties are outside the scope of Irish VAT and the Irish artist receiving the royalty would not have to charge or account for Irish VAT. The responsibility for accounting for VAT on the supply of the service is the person receiving the service i.e. the person located outside Ireland.

In cases where an artist is established outside Ireland e.g. the UK and the artist receives royalties from an Irish theatre for example, then it is the Irish theatre which is responsible for accounting for Irish VAT as it is the recipient of the service. This means that an Irish theatre would be required to self-account for Irish VAT at 23% on receipt of the service.

If the Irish theatre is engaged in taxable activities it can claim a simultaneous input credit. However, if the theatre is engaged in exempt activities, then it cannot claim a simultaneous input credit and the VAT will represent a cost to the Irish theatre.

In the event that the invoice is issued by a UK agent on behalf of the artist (established outside Ireland) then the same treatment as outlined above applies i.e. the reverse charge would apply.

Therefore, in instances where UK VAT has been charged by a UK agent (or any other foreign VAT charge arises), this matter should be addressed with the UK agent (or foreign agent) as the place of supply in such cases is Ireland and it is the recipient of the service that is required to account for Irish VAT (even if the recipient is engaged in exempt activities).

Please note that all artistic royalties would be chargeable to VAT (subject to the comments above). The “artists’ exemption” provided for under Section 195 of the 1997 Taxes Consolidated Act is an income tax exemption only. Artists could therefore be exempt from income tax and still be obliged to account for VAT.

7. Box Office Splits

A venue owner may agree with a promoter that they will split the box office receipts, and that will be how much each will be remunerated for their particular supply. If the venue owner and the promoter are co-promoting an event, then each will be accountable for VAT on their share of the box office if admission to the event is VATable. If admission to the event is exempt, neither party will have a VAT liability.

If, on the other hand, the box office split is merely a mechanism to decide the amount receivable (i) by the venue owner for providing the venue, and (ii) by the promoter for putting on the event, then the split is merely a risk-sharing basis of remuneration. In such a case, the promoter is liable to account for Vat on the ticket sales if it is a VATable event, and not if it is an exempt event. The venue owner will invoice the promoter for providing the venue (the amount will be its box office share) and will charge VAT if it is a letting which has been opted to tax, or it is a licence.

In all cases, where a box office split is contemplated, it is vital that the agreement between the parties correctly reflects the facts.

8. Capital Expenditure

VAT will be incurred on any development or refurbishment work carried out on a venue or theatre or similar premises. The supplier of the services will be required to charge VAT irrespective of the VAT status of the customer. The entitlement to reclaim VAT incurred on such works will be determined by the use to which the property is put.

If the premises is used for exempt activities (for example live theatrical or musical events), then there will be no entitlement to reclaim VAT associated with the development work. On the other hand, if the premises are used for the purposes of taxable activities (for example live theatrical or musical performances where alcohol or hot food is available) only, then the VAT can be reclaimed.

There may be circumstances where a venue/theatre holds both types of events (taxable and exempt), then as outlined above in relation to apportionment, an apportionment exercise would have to be carried out to assess the level of input VAT which can be reclaimed.

Therefore, where a venue or theatre receives grant income in relation to capital expenditure, consideration should be given to the VAT cost associated with the expenditure and assess whether there is scope for recovery.

This is another complex area, and it is recommended that professional advice is sought where VAT recovery on such expenditure may arise.

9. Lettings v Licences

There is a difference in VAT treatment for lettings and licences. A letting for VAT purposes is exempt from VAT and in order to constitute a letting there must be certain factors present: -

1. The tenant is given the right to occupy the property
2. The tenant is given the right to exclude others from the property
3. The tenant will pay rent
4. The agreement is for an agreed period
5. Whether there is a precisely defined area or space
6. Whether or not it is the passive provision of space

Even though a letting of commercial property (which would include event venues, theatres, festival venues) is exempt from VAT, a landlord exercises an option to tax in respect of the particular letting. This means that VAT is accounted for on the rental income and VAT can be reclaimed on costs associated with the letting.

A licence though is not exempt from VAT. This is also the provision of a service but it is a taxable supply of services (where the registration threshold is breached). VAT at the standard rate will apply to the licence fee.

Care needs to be exercised in situations where a theatre or other venue enters into an agreement which is described as a letting arrangement and the box office takings constitute the rental income. Because a document may be called a letting agreement does not always necessarily mean that it is a letting agreement, it could in fact be a licence or it could be provision of promotion/artistic services etc. All agreements should be examined carefully to assess if VAT implications arise as a consequence of the nature of the agreement.

10. Charities/Charitable Status

- In the normal course of events, ordinary charities are not regarded as supplying goods or services in the course or furtherance of business and accordingly are not obliged nor entitled to register for VAT. However, this does not apply to every organisation which has charitable status for tax purposes.
- However, there are instances where a charity may be carrying on a trade and examples would be the operation of a shop or a restaurant or the sale of publications (which is similar to the position outlined above for exempt activities).
- Where the registration threshold applicable to such trading activities is exceeded or likely to be exceeded, then the charity will be obliged to register for VAT in respect of that trading activity. E.g. if receipts from the sale of publications exceeds €75,000 (registration threshold effective since 1 May 2008) the charity will be obliged to register in respect of that activity only.

- If the charity does register in respect of its taxable activities, then VAT incurred on expenses associated with such activities is recoverable through the charity's VAT return.
- Other instances where a charity must register for VAT is where it acquires goods or receives certain services (e.g. accountancy or legal services) from other EU Member States. Irish VAT must be accounted for in respect of such goods or services but there is no entitlement to claim an input credit unless such goods or services specifically related to the taxable activity carried on by the charity.

Part C – Frequently Asked Questions

Q: Should UK (or other non-Irish) touring theatre and dance production companies performing in Irish venues charge VAT? If not, why not?

A: The UK touring theatre etc. should not charge VAT but rather it is the promoter of the performance who must account for VAT under the reverse charge procedure. See note above in relation to non-established artists.

This is because firstly the place of supply of the performance is Ireland as this is where it is physically performed.

Secondly under the VAT Consolidation Act 2010 the foreign artist, performer, touring company etc. is not required to register and account for Irish VAT, but rather it is the responsibility of the promoter to account for VAT. Hence UK VAT should not arise on such services.

Q: What if an Irish venue hosts a performance by an overseas company but the costs of the performance are paid directly to the overseas company by their embassy etc.

In addition, any costs related to accommodation and per diems are paid by the Irish venue which is the promoter of the performance. What are the VAT implications arising for the Irish venue?

A: Under such circumstances, it is likely that the embassy etc. would be treated as the promoter of the event and may have VAT compliance obligations in Ireland.

As regards the Irish venue, based on the above scenario, it would not be regarded as the promoter, however, with regard to the costs incurred by it, it would not have a compliance obligation but any VAT on such costs would represent an irrecoverable VAT cost for the venue. Consideration though could be given to the grant of a licence to the promoter.

Q: What is the VAT position where box office receipts are shared with a foreign theatre group?

A: In circumstances where the event falls to be treated as exempt, then the split from the box office in favour of the promoter and artist will not be subject to VAT.

However, in the case where a non-established artist receives payment (e.g. as a box office split) from the promoter (who has directly engaged the services of the non-established performer/artist), the promoter will be required to self-account for Irish VAT. This will apply irrespective of whether the event is taxable or exempt. However, in the latter case the input VAT credit cannot be reclaimed.

Sources of Additional Information

Additional information can be found on some of the specific topics outlined in this VAT Fact Sheet on www.revenue.ie:

<https://www.revenue.ie/en/vat/index.aspx>

<https://www.citizensinformation.ie/en/money-and-tax/tax/duties-and-vat/value-added-tax/>