



KMLZ VAT NEWSLETTER

Threshold for invoices for small amounts is now EUR 250

With retroactive effect from 01.01.2017, the threshold for invoices for small amounts has been raised to EUR 250 (gross). This has been done with a view to simplifying, in particular, cash transactions, the trade in everyday consumer goods and billing through automatic machines.

1. Sec 33 of the German VAT Implementation Code

The provisions on invoices for small amounts contribute to simplifying input VAT deduction in daily business. According to sec 15 German VAT Act, input VAT can only be deducted where the recipient is in receipt of an invoice which meets the standard invoice requirements of sec 14 para 4 German VAT Act. As regards input VAT deduction from so-called invoices for small amounts, the provisions of sec 33 of the German VAT Implementation Code (UStDV) provide for only very basic requirements concerning the information stated in an invoice. Contrary to the information provided on regular invoices in accordance with sec 14 para 4 of the German VAT Act, it is, in particular, not necessary to state the recipient and the separate VAT amount. The provisions on small amounts do not apply in cases of distance selling, intra-Community supplies of goods or, as regards the reverse-charge mechanism.

Amendment regarding invoices for small amounts with retroactive effect

The law to decrease administrative burdens (Bürokratieentlastungsgesetz II) introduces an increase in the threshold for invoices for small amounts from EUR 150 to EUR 250. This amendment has retroactive effect as from 01.01.2017.

2. Effect as of 01.01.2017

The amendments have retroactive effect as from 01.01.2017. Taxable persons who have received invoices in the amount of EUR 150 – 250 (gross) since 01.01.2017 can be pleased. Input VAT deduction can be claimed even if the invoices merely contain the information of sec 33 UStDV.

3. Practical problems of application remain

The practical problems associated with the application of the new law continue to exist. Information, which is not required but yet stated in invoices, might jeopardize the input VAT deduction, in particular, incomplete or incorrect information concerning the recipient appearing in the invoice. The fiscal authorities may basically deny input VAT deduction on the grounds that the invoice does not meet the requirements of sec 33 UStDV. This then leads to the paradoxical conclusion, that where the address field is empty, input VAT can be deducted, however, where the address field is incompletely or incorrectly filled out, the deduction will be denied.

4. Recommendation

Invoices for small amounts should merely contain the invoice details required in accordance with sec 33 UStDV. Any additional information carries with it the risk of being incomplete or incorrect and may consequently jeopardize the recipient's input VAT deduction.



KÜFFNER MAUNZ LANGER ZUGMAIER

Contact: Dr. Matthias Oldiges
Lawyer
Phone: +49 89 217501266
matthias.oldiges@kmlz.de

