

TAX

ZERO-RATED VAT ON ESSENTIAL FOOD PRODUCTS

VdA EXPERTISE



April 2023

Law no. 17/2023, of 14 April, was published, providing for the application of a VAT exemption on certain food products, as an exceptional and temporary measure in response to the extraordinary rise in food prices

ZERO-RATED VAT

The Law provides for the application of a VAT exemption to imports and supplies of food products from the essential healthy food basket.

This VAT exemption confers the right to deduct (zero-rated VAT) the input VAT borne on goods or services purchased, imported or used by the taxable person for the importation and supply of food products from the essential healthy food basket.

FOOD PRODUCTS EXEMPT FROM VAT

The following imports and supplies of food products are exempt from VAT:

- **Cereals and derivatives and tubers**, such as bread, potatoes, pasta and rice;
- **Vegetables**, such as onions, tomatoes, cauliflower, lettuce, broccoli, carrots, courgettes, leeks, pumpkin, greens, Portuguese cabbage, spinach, turnips and peas
- **Natural fruit**, such as apple, banana, orange, pear and melon;
- **Dried pulses** (not including jarred products), such as red beans and kidney beans, as well as chickpeas;

- **Dairy products**, such as raw, sterilised, pasteurised, ultra-pasteurised, fermented and powdered cow's milk and cheeses, but also yoghurts or fermented milks;
- **Meat and edible offal**, fresh or frozen, such as pork, chicken, turkey and beef;
- **Fresh, chilled, frozen, dried, salted or pickled fish**, such as cod, sardines, hake, horse mackerel, bream and mackerel (excluding smoked or canned fish);
- **Canned tuna**;
- **Eggs** (only chicken) fresh, dried or preserved;
- **Fats and oils**, namely olive oil, edible oils and butter;
- **Vegetable-based beverages and yoghurts**, not containing milk or dairy products, produced from nuts, cereals or preparations of cereals, fruits, vegetables or horticultural products; and
- **Dietetic products for enteral nutrition and gluten-free products**.

TEMPORARY EFFECTIVENESS

The VAT exemption will be in force from 18 April to 31 October 2023

Contacts



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