



## Advisory: Value Added Tax (VAT) Relief in Germany

To enjoy successful VAT-free purchases in Germany, please review and comply with the following.

### Per Army Europe Regulation 215-6 / USAFE Instruction 34-102:

- a. Do not use an unpriced purchase order (NF-1 VAT Relief form pack) for any amount of €2,500 or more. The max amount that may be purchased VAT-free with a NF-1 VAT Relief form is €2,499.99.
- b. Do not use an unpriced (NF-1) or priced (NF-2) purchase order that has an issue date after the designated agent (customer) "order date," vendor's delivery date, or date of invoice (VAT form must be printed before ordering or buying). Observe the "Valid From" and Valid Until" dates in box 3. Placing an order outside of these dates is prohibited (date of payment or picking-up/receiving goods or service is irrelevant, the key date is the date that the order is placed, the car goes into the shop, etc.).
- c. Do not split the amount between two or more unpriced (NF-1) purchase orders to avoid using a priced (NF-2) purchase order for an amount of €2,500 or more. Do not attempt to go through the cashier twice or more on the same day in order to split your purchases, making them fit onto several NF-1 forms (keeping each form under €2,500). If buying various items on the same day from the same vendor that exceed €2,499.99 customers **MUST** obtain the NF-2 VAT form from their VAT Relief office before placing the order or making the purchase.
- d. Do not purchase goods or services that benefit ineligible persons. Do not buy items on VAT forms for other individuals (neighbors, relatives, friends) outside of the sponsor's immediate family (husband/wife/children). Do not attempt to buy items/services for children that no longer belong to the sponsor's household – they must have an ID card within the sponsor's responsibility. This requirement often is an issue when using VAT form to buy heating oil or other energy products. Such purchases are only authorized if they serve eligible persons exclusively. If other persons are living in the same building, separate tanks are required.
- e. Do not buy used automobiles, repair parts, or services for resale. This activity is considered "trading in the commercial sector" and is illegal, regardless of who buys the automobile, parts, or service (continued in next topic).
- f. Do not buy items for resale or other commercial purposes. This activity is considered "trading in the commercial sector" and is illegal in conjunction with tax relief, regardless of who buys the items or services offered. Buying supplies for business purposes (e.g. printer/toner to print invoices, etc) is illegal. Tax-relief is only for your very own personal use or consumption.
- g. Do not buy new or used automobiles from German vendors for registration in the German (or other non-U.S. Forces) vehicle registration system (*KFZ-Zulassung*). Cars bought tax-free (with a VAT or a Customs form) **MUST** be registered with USAREUR. Those who want to register their car in the German system **MUST** pay German taxes as they buy their car.
- h. Do not use VAT forms for costs related to buying or selling real estate. This includes realtor, notary, court, advertising fees, hook-up costs for utilities, etc.
- i. Do not use VAT forms for construction, renovation, or home repair costing €2,500 or more without IMCOM-Europe approval; do not use VAT forms for any unauthorized repairs or renovations. Home repair under €2,500 must comply with AER 215-6. Home repair of €2,500 or higher must be submitted to IMCOM-Europe by way of a cost estimate for approval. Approvable home repairs (regardless of cost) are only expenses that normally fall within the responsibility of the tenant, not the landlord. This principle also applies if the home is owned by an eligible member of the US Forces.
- j. Do not use VAT forms for utilities or telecommunication services based on long-term contracts. That means electricity, natural gas, water/sewage, garbage disposal, cellular contracts. Basically anything that involves a contract of more than 30 days.
- k. Ensure VAT forms are completed properly (for example, amount in box 4, signature in boxes 7 or 10, dates in boxes 8 or 11, box 12, box 13) upon turn-in to the issuing VAT Relief Office. In order for the US Forces to comply with Host Nation requirements, we must receive completed VAT forms. Incomplete VAT forms will be returned to the sponsor and the forms will remain active in the sponsor's account.
- l. Before reserving a venue or contracting with a caterer, please seek advice from the servicing VAT office. Otherwise, payment of VAT for the complete purchase might be necessary. Special requirements and complicating factors exist for the use of VAT forms for office functions, balls and other social events.
- m. In all cases, compliance with AE Regulation 215-6/USAFE Instruction 34-102 is mandatory. Seek advice from servicing VAT Relief offices before proceeding with a VAT-free purchase that might not be authorized.