



DORADZTWO
PODATKOWE

Tax Alert No. 246/02.02.2022



Temporary reduction of VAT rates

On February 1, 2022, the provisions of the Act amending the Act on tax on goods and services (Journal of Laws of 2022, item 196), published just a few days earlier, entered into force.

These changes are referred to as the so-called Anti-Inflation Shield 2.0, which lowers VAT rates for selected goods in the period from February 1, 2022 to July 31, 2022.

The scope of changes in VAT rates

Temporary reduction of VAT rates applies to, among others:

- basic food products (from 5% to 0%);
- fuels (from 23% to 8%);
- fertilizers and plant protection products (from 23% / 8% to 0%);
- natural gas (from 8% to 0%);
- heat energy (from 8% to 5%).

At the same time, the 5% rate for the supply of electricity introduced on January 1, 2022 has been extended until the end of July 2022.

Who can apply lower VAT rates

Changes in tax rates apply, naturally, to taxpayers at every stage of trading the indicated goods (manufacturers, wholesalers/distributors and retail suppliers).

Obligations of sellers

The amendment to the act introduced particularly controversial provisions specifying **the obligation for retailers to post clear information that from February 1, 2022 to July 31, 2022, the sale of certain goods is subject to a reduced VAT rate**. Such information should be posted near the cash register in the business premises where the sale of the goods subject to reduced rates is carried out.

In the case of the sale of natural gas, electricity or heat energy, taxpayers are required to provide the buyer with information about the reduced tax rates:

- by attaching, each time, such information to the invoice or other document from which

DORADZTWO
PODATKOWE

TAX
ADVISORY

KANCELARIA
PRAWNA

LAW
FIRM

BUSINESS
CONSULTING

OUTSOURCING

CORPORATE
FINANCE

PLATFORMA
WIEDZY

KNOWLEDGE
PLATFORM



- the payment for these goods results, or
- separately, if the invoice or other document from which the payment for these goods results will be sent later than within 2 months from February 1, 2022.

Pursuant to the Act, quite grotesque **templates of relevant informations can be found in the Public Information Bulletin** (<https://www.gov.pl/web/kas/tarcza-antyinflacyjna--wzor-informacji-i-zakres>).

However, a taxpayer wishing to meet the above obligation does not have to use the template - it is enough to include information containing the information expected by the legislator.

A surprising curiosity is that the legislator does not define any specific sanctions related to failure to fulfill the above obligation.

Expiry of Binding Rate Information (WIS)

According to the position of the Minister of Finance, the effect of the amendment to the provisions on VAT rates is the **expiration of binding rate information (WIS)**, issued for goods for which Shield 2.0 lowers VAT rates. At the same time, the Ministry of Finance declares that if a taxpayer applies for a new binding rate information, the National Tax Information will make every effort to ensure that the applications are processed no later than within one month of their receipt¹.

This means that taxpayers selling goods for which the rates have been reduced should consider applying for binding rate information both now and, in connection with a return change of the rate, after the period for which it has been reduced.

Non-compliance of the adopted solutions with Directive 2006/112/EC

The application of the reduced rates in the manner adopted by the legislator constitutes a breach of the provisions of Directive 2006/112/EC. However, this does not create any negative consequences or risks for the taxpayer who applies the reduced rates.

If you are interested in the above information and its impact on your business, please contact:

Tomasz Michalik Tomasz.Michalik@mddp.pl phone 501 733 720

Janina Fornalik Janina.Fornalik@mddp.pl phone 660 440 141

or your advisor at MDDP.

MDDP is one of the largest Polish companies providing comprehensive consulting services in the area of taxes, law, business consulting, corporate finance, accountancy and payroll outsourcing, as well as professional trainings and conferences.

¹ <https://www.gov.pl/web/finanse/tarcza-antyinflacyjna-20--zmiany-w-kasach-rejestrujacych-i-wiazace-informacje-stawkowe>



DORADZTWO
PODATKOWE

Since 2004, we have been continually increasing the team of advisers equipped with experience acquired both in reputable advisory companies and the largest enterprises on the Polish market. Our Clients include leading international corporations and the largest Polish companies from all sectors of economy.

We consider trust to be the basis of successful cooperation. We support our Clients in taking the most important business decisions. We combine international experience in business with the knowledge of regulations and the specificity of a given industry. We focus our activities mainly on the Polish market and ensure full involvement and individual approach to the cooperation.

This Tax Alert does not constitute legal or tax advice. MDDP Michalik Dłuska Dziedzic i Partnerzy spółka doradztwa podatkowego spółka akcyjna shall not be liable for the use of the information contained in the alert without prior consultation with legal or tax advisors.

DORADZTWO
PODATKOWE

TAX
ADVISORY

KANCELARIA
PRAWNA

LAW
FIRM

BUSINESS
CONSULTING

OUTSOURCING

CORPORATE
FINANCE

PLATFORMA
WIEDZY

KNOWLEDGE
PLATFORM