

New VAT rules regarding the place of supply of electricity – as from 2027

● 2nd October 2026 ●

One of the key changes introduced by the Act of 4th September 2026 amending the Act on Tax on Goods and Services and the Act on the Registration and Identification of Taxpayers and Remitters (Journal of Laws of 2026, pos. 1270). is **the harmonization of the rules for determining the place of supply of electricity for VAT purposes**. The new provisions may be particularly relevant to entities operating in the energy and e-mobility sectors.

The new rules will enter into force on **1st January 2027**.

WHAT WILL CHANGE?

The amending Act will remove the reference to an “*electricity system*” from regulations on place of supply of electricity and those setting forth transactions where VAT is settled by the buyer in the reverse charge regime.

It means that the same rules for determining the place of supply of electricity will apply irrespective of whether the electricity is supplied within or outside an electricity system.

New regulation will not affect the actual rules on VAT chargeability and invoicing of electricity supplies.

WHAT DOES THE CHANGE MEAN FOR TAXPAYERS?

In connection with the entry into force of the new regulations as of 1st January 2027, entities involved in the supply of electricity should consider an assessment of how the amended provisions will affect their existing models for settling electricity supplies. In particular, it is worth focusing on:

- ✓ determining the status of each party involved in the electricity supply chain,
- ✓ determining the place of supply (place of VAT taxation) of the electricity for VAT purposes and whether Polish VAT or the Polish domestic reverse charge should apply,
- ✓ verifying whether the invoicing and VAT reporting treatment applied is correct,
- ✓ assessing the impact of the new rules on VAT registration obligations in Poland or other EU Member States.

Such a review may also be relevant to entities that have previously taken the view that the special place of supply rules for electricity do not apply to electricity supplied in connection with EV charging. We identified Polish court rulings of claiming that Polish regulations in that regard we against the UE law even before the amendments described.

HOW MAY WE HELP?

MDDP'S VAT TEAM has an extensive experience in providing tax advisory services to entities from energy sector, including the e-mobility sector.

Our support includes *inter alia* analysis of the impact of the new rules on domestic and cross-border electricity sales models; determining the place of supply of electricity at each stage of the supply chain and the resulting VAT implications; verifying whether the conditions for applying the reverse charge mechanism are met; assessing VAT registration, invoicing and reporting obligations; and adapting agreements, tax procedures and settlements to the new rules.

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

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