

Supply of garden sheds and similar pre-fabricated structures

This document should be read in conjunction with Section 2, Section 41 and paragraph 15 of Schedule 3 to the VAT Consolidation Act 2010 (VATCA 2010)

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Introduction

This guidance sets out the VAT treatment of garden sheds and similar pre-fabricated structures.

1. VAT rate applicable

The supply of garden sheds and similar pre-fabricated structures is chargeable to VAT at the [standard rate](#).

However, the reduced rate of VAT may apply in certain circumstances.

2. When can the reduced rate apply to the supply of garden sheds and similar pre-fabricated structures

The [reduced rate](#) may apply to the provision and construction of certain types of structures¹ where the value of the movable goods supplied under the agreement for the provision of those services does not exceed the [two-thirds rule](#).

The structures must be:

- erected or constructed by or on behalf of the supplier on a site occupied by the customer
- and
- intended to remain there on a reasonably permanent basis.

The structures must be designed for normal human access, such as

- playhouses
- tool sheds
- greenhouses
- garden sheds
- animal houses, such as fowl houses
- patio type structures open on one or more sides.

The supplier must obtain a [declaration](#) from the customer.

¹ Prefabricated or demountable structures.

Example

A person enters into a contract to supply and install a garden shed, the nature of which is such that it satisfies the conditions outlined above so that it constitutes the development of immovable goods.

The consideration payable for this supply amounts to €1,200 of which €200 relates to the erection of the shed and the balance, €1,000, relates to the materials provided.

As the cost of the materials (€1,000) exceeds two-thirds of the total contract price ($€1,200 \times 2/3 = €800$), the reduced rate of VAT would not apply to the supply and it would be chargeable to VAT at the standard rate.

3. What structures are not included?

The supply and erection of a structure on the premises of a dealer for demonstration and for resale, or in a builder's yard, or in a Local Authority store, cannot avail of the reduced rate of VAT.

Structures that are not designed for human access, for example a dog kennel or a coal bunker would also not be included.

Such supplies are always taxable at the standard rate.

4. Completion of "declaration" of intent by customer(s)

The supplier must obtain and retain a written declaration of the customer's intention to retain the structure on the site on which it is erected by the supplier.

A 'draft' form of [declaration](#) is set out in Appendix I.

Appendix I

Draft customer declaration in relation to the supply of garden sheds and other similar prefabricated structures (Section 2 of the VAT Consolidation Act 2010).

Declaration.

I _____ (name)

declare that I am the owner/tenant of a site at

_____ (address),

that I am the purchaser of a structure consisting of

(description - e.g. garden shed) _____

constructed on the said site on _____

(date)

(name of supplier),

and that I intend to retain the structure on the said site.

Signature

Name (Block Letters)

Date
