

Supply of goods by Horticultural Retailers

This document should be read in conjunction with Section 6, paragraph 12(4) of Schedule 2 and paragraph 22(1) of Schedule 3 to the VAT Consolidation Act 2010 (VATCA 2010)

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Introduction

This guidance set out the VAT treatment of certain supplies by horticultural retailers including garden centres and flat-rate farmers.

1 Products taxable at the zero rate of VAT

The zero rate of VAT applies to the supply of the following goods when used for sowing in order to produce food:

- plants, including live plants,
- trees, including live trees,
- seeds,
- spores,
- bulbs,
- tubers,
- tuberous roots,
- corms,
- crowns and
- rhizomes.

2 Products taxable at the reduced rate of VAT

The [reduced rate](#) of VAT applies to the supply of

- nursery or garden centre stock consisting of:
 - live plants, including instant lawn turf, live trees, live shrubs, bulbs, roots and the like,
- not being zero rate products as listed at paragraph 1 above and
- cut flowers and ornamental foliage.

3 Products taxable at the standard rate of VAT

The [standard rate](#) of VAT applies to:

- artificial flowers
- dried flowers,
- dried foliage,
- cut trees (for example, Christmas trees).

4 Mixed supplies

The supply of pots is subject to VAT at the [standard rate](#). The supply of potted plants is normally taxable at the [reduced rate](#). However, where the value of the pot is 20% or greater than the tax exclusive price of the plant and the pot, its supply becomes taxable at the [standard rate](#).

Further information on mixed supplies is available on the [Revenue website](#).

5 Obligation to Register

All retailers of horticultural products, including garden centres and flat-rate farmers whose annual retail sales of horticultural products and other goods exceed or are likely to exceed the goods [VAT registration threshold](#), are obliged to register and account for VAT. 'Horticultural products' for this purpose means non-food products of a type listed at paragraph 2 above. 'Other goods' means goods other than agricultural produce.

A retailer of horticultural products cannot avoid registering for VAT by splitting his/her business into a number of separate smaller units, each selling less than the annual registration limit. The various units will be grouped as a single business for VAT purposes.

Where a person supplies a combination of retail horticultural produce and agricultural services, the services [VAT registration threshold](#) will apply. This is the normal VAT registration threshold which applies where a person supplies both goods and services.

Further information on registration requirements for farmers is available on the [Revenue website](#).