

VAT Treatment of Restaurant and Catering Services

This document should be read in conjunction with section 34(i) and (j), section 46(1) (cb), paragraph 5(1) of Schedule 1 and paragraph 3 of Schedule 3 to the VAT Consolidation Act 2010 and Article 6 of Implementing Regulation 282/2011.

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Introduction

This guidance sets out the VAT treatment of restaurant and catering services.

For information on the VAT treatment of food and drink sold by wholesalers/retailers please see Revenue's guidance on [Food and Drink Supplied by Wholesalers and Retailers](#).

1. Restaurant services

Restaurant services are regarded as services consisting of the supply of prepared or unprepared food or beverages or both, for human consumption, accompanied by sufficient support services allowing for the immediate consumption thereof.

Restaurant services are characterised by a bundle of elements and acts in which the provision of food is only one component and services largely predominate. Restaurant services are the supply of such services on the premises of the supplier.

An example of a bundle of acts that may constitute restaurant services include:

- supply of prepared food and drink for immediate consumption
- cooking of the food
- the physical service in a receptacle
- the supply of the infrastructure that is placed at the customer's disposal, including a dining room with cloakroom, furniture and crockery
- people, whose occupation consists in carrying out restaurant services, will perform tasks such as:
 - laying the table
 - advising the customer and explaining the food and drink on the menu
 - serving at the table
 - clearing the table after the food has been consumed.

1.1 VAT rate applicable

Restaurant services are liable to VAT at the [second reduced rate](#).

However, supplies of alcohol, bottled waters, soft drinks, sports drinks and vegetable juices (excluding fruit juices) are liable to VAT at the [standard rate](#) even when provided as part of a restaurant service.

1.2 Provision of other services

The provision of a takeaway service or a food delivery service, by a restaurant, is not regarded as a restaurant service and will therefore attract a different VAT treatment. Such supplies should be analysed using the information below on [takeaways](#) and [delivery services](#).

2. Catering services

Catering services consist of the supply of prepared or unprepared food or beverages or both, for human consumption, accompanied by sufficient support services allowing for the immediate consumption thereof. The provision of food or beverages or both is only one component of the whole in which services shall predominate. Catering services are the supply of such services off the premises of the supplier.

Supplies consisting of the preparation and delivery of food and/or beverages alone without any additional service elements is not considered a catering service.

2.1 VAT rate applicable

In general catering services are liable to VAT at the [second reduced rate](#). This includes staff meals, when taxable. For more information on this topic see Revenue's guidance on [Canteen services](#).

However, supplies of alcohol, bottled waters, soft drinks, sports drinks and vegetable juices (excluding fruit juice) are liable to VAT at the [standard rate](#) even when provided as part of a catering service.

2.1.1 Catering services in hospitals

Catering services are exempt from VAT when supplied to patients in the hospital or nursing home.

2.1.2 Catering services in schools

Catering services are exempt from VAT when supplied to school students at their school.

2.1.3 Catering on off-shore oil rigs and on foreign-bound ships and aircraft

Catering services are liable to VAT at the zero rate when supplied on off-shore oil rigs and on foreign-bound ships and aircraft.

3. Place of supply

The place of supply of restaurant and catering services is the place where the services are physically carried out.

In the case of restaurant and catering services for consumption on board ships, planes or trains within the EU, where the journey starts in the State, the place of supply is the State.

4. Takeaways

The supply of takeaway food and drink from a fixed establishment or a mobile snack bar are generally considered a supply of goods rather than the provision of restaurant services.

The following factors may indicate that the supply is not a restaurant service:

- no waiters
- no real advice to customers
- no table service
- no enclosed spaces at an appropriate temperature for the consumption of food served
- no cloakrooms or lavatories
- no crockery, furniture or place settings and
- the lack of other service elements.

Additional services such as counters enabling a limited number of customers to eat on the spot where there is negligible human intervention will not alter the nature of the supply.

4.1 Rate of VAT applicable

The supply of hot takeaway food is liable to VAT at the [second reduced rate](#). This includes food heated, retained heated or supplied while still warm. Hot sandwiches include hot/toasted bread, bagels, baguettes, paninis and wraps and also includes cold bread, bagels, baguettes, paninis and wraps that contain hot fillings.

The supply of cold takeaway food is liable to VAT at the zero rate. Chilled, cold or frozen cooked meals are liable to VAT at the zero rate. Cold sandwiches include cold bread, bagels, baguettes, paninis and wraps.

Cold food supplied with hot food for an inclusive price (for example, coleslaw with hot chicken) is liable to VAT at the [second reduced rate](#).

Supplies of alcohol, bottled waters, soft drinks, sports drinks, vegetable juices and fruit juices are liable to VAT at the [standard rate](#).

4.1.1 Combination meal deals

Meals of this type consist of items liable at different rates of VAT, typically being hot food liable at the second reduced rate together with a soft drink liable at the standard rate, which are sold together for a single consideration, usually at a discount. Such a discount should be apportioned between the individual items of the meal at their appropriate rates of VAT. For further information please see Revenue's guidance on [Mixed supplies of goods and services](#).

5. Delivery services

Delivery services are subject to VAT at the [standard rate](#). Where food or drink is delivered, the delivery services are not, generally, considered ancillary to the supply of the food or drink.

6. Dinner dance

Receipts from admissions to dinner dances are liable at the [standard rate](#) including the dinner element in the charge. If there is a separate charge for the dinner and the dance, and payment of the charge for the dinner is not a condition of admission to the dance, the dinner charge is liable at the appropriate rates as outlined above, and the charge for admission to the dance is liable at the [standard rate](#). For further information see Revenue's guidance on [dances](#).

7. Summary table

Type of Food or Drink	Restaurant/Catering service	Takeaway
Alcohol, bottled waters, soft drinks, sports drinks and vegetable juices	Standard	Standard
Cakes, biscuits (other than chocolate covered biscuits)	Second Reduced	Reduced
Chocolates, Confectionery, Crisps, Ice cream, Biscuits - chocolate covered	Second Reduced	Standard
Coffee, Tea (Hot)	Second Reduced	Second Reduced
Coffee, Tea with confectionery	Second Reduced	Second Reduced & Standard
Coffee, Tea with scone/ cake	Second Reduced	Second Reduced & Reduced
Cold Sandwich	Second Reduced	Zero
Hot Sandwich	Second Reduced	Second Reduced
Fish, Chips, Burgers (Hot)	Second Reduced	Second Reduced
Fish and Chips with soft drink	Second Reduced & Standard	Second Reduced & Standard
Fruit juices	Second Reduced	Standard
Take-away Food (Hot)	Second Reduced	Second Reduced
Take-away Food (Cold)	Zero	Zero
Vinegar	Zero	Zero