VAT treatment of member-owned golf clubs

This document should be read in conjunction with Schedule 1, paragraph 3 of the VAT Consolidation Act, 2010

Document last reviewed December 2024

Introduction

This guidance sets out the VAT treatment applicable to member-owned golf clubs.

Information on deducting VAT, the VAT treatment of received services and intra-Community acquisitions of goods, and information on records to be kept is available on Revenue.ie.

1. Background

The VAT treatment applicable to member-owned golf clubs follows the judgment of the Court of Justice of the European Union (CJEU) in Bridport & West Dorset Golf Club (Case C-495/12).

In this case, the Court held that where a supply is made by a non-profit making organisation, it is immaterial whether it is provided to a member or visitor, and found that green fees received from non-members could benefit from the exemption set out in Article 132(1)(m) of the EU VAT Directive (112/2006/EC).

Revenue accepted that as a consequence of the judgment, green fees charged by member-owned clubs which are non-profit making organisations to non-members should be treated as exempt from VAT. The exemption will apply to green fees, competition fees and membership fees, including short-term and corporate, which had previously been taxed at the second reduced rate.

1.1 Non-profit making organisations

This guidance is written on the assumption that member-owned clubs are non-profit making organisations as defined in Chapter 2 of Title IX of the EU VAT Directive. The existence of a non-profit making organisation depends on a range of factors including:

- the club's constitution and articles of association,
- the manner in which the organisation is managed and administered and
- the manner in which surpluses are dealt with by the club.

A non-distribution of profit/surplus clause in the constitution of the organisation does not, in itself, determine that a club is a non-profit making organisation.

2 VAT treatment of member-owned club's income

Member-owned clubs may have different types of income. This income can be either taxable or exempt from VAT.

2.1 Taxable income

The following income is generally regarded as taxable income:

- Income from the club's bar, restaurant or pro-shop including licence and franchise fees.
- Income from the sale of golf equipment.
- Income received from the hire of golf equipment (the hire of golf equipment including golf clubs, golf balls for a driving range etc. are chargeable to VAT at the standard rate. Where the hire charge is ancillary to the supply, and is included in the green fee/membership charge, the supply may be regarded as exempt from VAT).
- Income from the hire of function rooms etc.
- Advertising Income.

2.1.1 Obligation to register

Member-owned clubs are obliged to register and account for VAT in respect of their taxable income at the appropriate rates where the total taxable income exceeds or is likely to exceed the registration thresholds in any 12-month period.

More information on how to register for VAT is available on www.revenue.ie.

2.2 Exempt income

The following income received by member-owned clubs is generally regarded as exempt from VAT:

- Membership fees (including corporate and short-term membership).
- Pavillion Membership – Pavillion membership can be used to describe membership which is largely social (involving use of the clubhouse) but can also involve various levels of restricted use of the training facilities and some limited use of the golf course, including entitlement to a preferential green fee rate.
- Green fees (including competition fees and other pay-as-you play income).