

End of reduced VAT rate on basic food products - 5% VAT rate returns from April 1, 2024

(as at March 15, 2024, adjusted April 16, 2024)

The Ministry of Finance has decided not to extend the temporary reduction of the VAT rate on basic food products beyond March 31, 2024. The reason for this decision is the continuing downward trend in inflation and optimistic forecasts for food price dynamics.

The periodic reduction of the VAT rate to 0% on basic food products, which was previously subject to a 5% VAT rate, has been in effect since February 1, 2022. By decision of the Polish government, the period for applying the reduced VAT rate has been extended several times: from the initial end date of June 30, 2023, to December 31, 2023, and then to March 31, 2024. The Ministry of Finance has ultimately confirmed that the reduced 0% VAT rate will not be extended beyond March 2024.

This means that from April 1, 2024, the 5% VAT rate will be reinstated for basic food products listed in items 1-18 of Annex No. 10 to the Polish VAT Act. Items subject to the 5% VAT rate will include, among others:

- meat and meat products
- fish and fish products
- milk and dairy products
- vegetables and their processed forms
- fruits and their processed forms
- cereals and cereal products, including bread
- edible animal and vegetable fats
- eggs, natural honey, nuts
- soups and broths
- water, including mineral and sparkling water, sweetened or flavored and certain beverages

Should you require further assistance in determining the applicable VAT rate, please do not hesitate to contact us.