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What are the VAT thresholds?

Value-Added Tax (VAT) registration is obligatory when your annual turnover exceeds the VAT thresholds.

If your turnover is less than a threshold limit, you may elect to register for VAT.

The principal VAT thresholds are as follows:

- **€42,500**, in the case of persons supplying services only.
- **€42,500**, for persons supplying goods liable at the reduced or standard rates which they have manufactured or produced from zero rated materials.
- **€85,000**, for persons supplying both goods and services where 90% or more of the turnover is from the supplies of goods, other than goods referred to above.
- **€85,000**, for persons supplying goods.
- **€10,000**, for taxable persons making mail-order or intra-Community distance sales of goods and cross-border Telecommunications, Broadcasting and Electronic (TBE) services into the State. The threshold is calculated by taking account of the suppliers, or deemed suppliers, total value of intra-Community distance sales of goods and cross-border TBE services to customers in all European Union (EU) Member States. The threshold only applies where the supplier is established and has their permanent address, or usually resides, in only one Member State. Otherwise, the supplier must register for Irish VAT in respect of such supplies. Please see the intra-Community distance sales of goods and the Electronically supplied services webpages for further information.
- **€41,000**, for persons making acquisitions from other EU Member States.

A person, while not established in the State, needs to register and account for VAT if that person supplies:

- taxable goods to ‘taxable customers’ in the State

  or

- services to ‘taxable customers’ in the State.

This applies irrespective of the level of turnover, unless they avail of the VAT SME Scheme.

How is your turnover determined?

To calculate your annual turnover, you must calculate the total value of the following (excluding VAT), in a calendar year:

1. Supplies of taxable goods and services.

2. Supplies of immovable goods.

3. Certain financial transactions.

4. Insurance and reinsurance services.

Certain transactions are excluded from the calculation of your annual turnover. These are:

- Occasional disposals of your business assets such as buildings, vehicles or machines.
- Transfers of goods to a non-EU country without there being a supply.
- Exempt cross-border supplies of new means of transport made from one Member State to another.

Example

A trader, established in Ireland, sells goods worth €70,000 in the 2025 calendar year. In a once-off transaction, they sell a delivery van for €20,000. The trader’s total supplies of goods in 2025 are now €90,000. However, the sale of the van is an incidental sale of the trader’s business assets. This means the sale of the van is disregarded for the purposes of calculating his annual turnover for the SME Scheme. The trader’s annual turnover for the purposes of the scheme is €70,000.

Further guidance contains more details on registering for VAT and the SME Scheme.