

Major VAT changes in 2017 (2) (1/3/17)

This article continues the table summarising the main VAT treatment changes adopted in 2016 and coming into force this year.

VAT treatment	Before 2017	From 1 January 2017
Conditions for refund of VAT overpayment arising in tax year	The overpaid VAT will be refunded if one of the following conditions is satisfied (we list only the conditions of section 109(5) of the VAT Act amended with effect from 2017):	We list only the amended conditions of section 109(5) of the VAT Act:
	• The overpaid VAT exceeds €1,422.87, and zero-rated supplies or supplies attracting the reduced rate or supplies treated as made outside Latvia represent at least 20% of taxable supplies;	• The threshold is €1,500 (merely rounded up);
	• VAT overpaid on non-current assets exceeds €142.29, and a refund claim is made;	• The threshold is €150 (merely rounded up);
	• The overpaid VAT exceeds €11,382.97.	• The threshold is €5,000 (hugely cut down).
Simplified invoice	A simplified invoice is allowed for domestic supplies below €143 excluding VAT. A cash-register receipt or other document can be used as a simplified invoice for a supply below €29 excluding VAT.	The cap is €150 (merely rounded up). The cap is €30 (merely rounded up).
Farm produce processor's statement of quantity and value of farm produce received in tax year from each farmer	A processor of farm produce had by 1 February in the following tax year to file a statement of the quantity and value of farm produce received from each farmer in the tax year.	A processor of farm produce by 1 February 2017 must file a statement of the quantity and value of farm produce received from each farmer in 2016, with no statement to be filed for 2017.
Appendices to VAT return	Taxable persons making supplies to a free port or an enterprise zone had to file a statement of the value of goods supplied to each port or zone.	No such statement required.
VAT treatment of supplies of unwrought precious metals, precious metal alloys and metals clad with precious metal	General procedure for charging VAT	Reverse charge under section 143.3 of VAT Act
Special VAT scheme for non-current asset imports	The special VAT scheme may be applied without SRS permission under section 85 of the VAT Act to a non-current asset worth €710 or more excluding VAT.	The threshold is €700 (merely rounded down).