

Cash register and VAT

The introduction of the registered cash register in the catering sector was no walk in the park. Meanwhile the first catering entrepreneurs have started using the system. Others still have some respite, but not too long. As from 1 January 2015 it will be an obligation. Time to explain the rules.

This system can already be used in 2014 and who will do so benefits

Notwithstanding that the registered cash register becomes obligatory next year, you can already apply it as from now. Moreover, tax payers (with maximum 49 employees) who already implement this, receive some social favours in return. You will indeed have to pay less social contributions for five (full time) employees. You can choose for 800€ per quarter for employees younger than 26 years at the end of the quarter or for 500€ per quarter for other employees. There is also a tax *incentive*: the professional withholding tax for the first 180 hours of overtime per employee, per taxable period should not be paid to the Treasury (you should withhold, but not pay).

When starting to use the cash register during 2014, you are entitled to the social contribution reductions as from the quarter following the use of the cash register. Catering entrepreneurs starting using the system as from 1 January 2015, because it then becomes obligatory, can as from then benefit from the reduction.

Who should use the system: the 10% threshold

Operators of an establishment where *regularly* meals are consumed (1) and caterers which *regularly* provide catering services (2) should as from 1 January 2015 issue a cash receipt to their customer through a registered cash register.

It is crucial to understand the meaning of the word 'regularly'. The legislator has therefore introduced the 10% threshold which is calculated with the following formula:

(turnover from restaurant and catering services (ex VAT) without drinks or take away meals x 100) / (total turnover from the catering business (ex VAT), all meals, including drinks and take away meals)

In case the above formula gives a result of more than 10%, the business is 'regularly'.

Example

In café The Village you can also order small meals (toasts, spaghetti, ..). This activity gives the café a turnover of 2.200€. The biggest turnover is off course realized by serving drinks. The total turnover amounts to 20.000€. According to the formula: $2.200 \times 100 / 20.000 = 11\%$. The café exceeds the threshold and should obtain a registered cash register.

For existing businesses the preceding calendar year is used as reference. As the first reference period, the period from 1 July 2013 until 30 June 2014 is taken into account, since the obliged registration procedure starts on 1 July 2014. For starters the remaining part of the calendar year in which the activity is started; is used as reference period. When the activity starts in the last quarter of a calendar year, the remaining part of the quarter and the next calendar year are used as reference period.

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As from the moment a tax payer exceeds the 10% threshold, he should issue cash receipts through a registered cash register. This remains unchanged when afterwards he drops (again) under the threshold. So: once user of the registered cash register, one stays user of the cash register. Only when the activity is stopped, the obligation stops.

The system is not applicable to ...

The system does not apply to restaurant and catering services on board of ships and planes. Also the supply through automats falls outside the scope.

The system in practice

The user should issue a cash receipt for all catering transactions made, at the time the service is finalized or the supply is made. The capacity of the client (private individual, tax payer, ..) is irrelevant. If the customer asks for an invoice, the service provider should next to the invoice still issue a cash receipt.

If these VAT payers also perform transactions which are no catering transactions, he should issue no cash receipt for these transactions.

The registered cash register will save all data.

When there are technical problems, the local VAT office should be informed immediately. Additionally, special measures have to be taken: instead of cash receipt, bills or receipts should be issued and kept.

Identification

Operators of catering businesses should register in the GKS-module of the tax authorities at the latest on 28 February 2015. The tax authorities will subsequently grant an ultimate implementation date. This can be one of the following dates: 30 June 2015, 30 September 2015 or 31 December 2015.

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