

INFORMATION ON TAX CERTIFICATE FOR OUR PURCHASER'S FEE ON VEHICLES SUBJECT TO DIFFERENTIAL TAXATION

The purchaser's fee shall be taxed as a so-called ancillary service in the sense of the German VAT Act (Umsatzsteuergesetz/UStG) analogous to the main service (=sale of vehicle). It is not a free-standing service. The treatment of the purchaser's fee as an ancillary service was confirmed within our company some years ago in tax audits performed by the Department for Large and Consolidated Tax Audits Mönchengladbach.

In the case of vehicles subject to differential taxation pursuant to Art. 25a UStG, this means that BCA must pay VAT on this fee to the Tax Office but does not have to document such. The purchaser's fee is subject to taxation. However, a VAT certificate pursuant to Art. 14a(6) UStG is not permissible. Therefore, no VAT is documented on invoices issued by BCA for vehicles subject to differential taxation.

This means that the VAT included in the purchaser's fee cannot be claimed, although this fact will not ultimately lead to any disadvantage for you.

Due to its treatment as an ancillary service, the sum is included in the basis of calculation for you according to Art. 25a UStG, and in case of resale the VAT is calculated based on the reduced margin only.



A VAT certificate pursuant to Art. 14a(6) UStG is not permissible

Example: Hammer price at auction = €1,000, vehicle subject to differential taxation pursuant to Art. 25a UStG

	BCA Regulation	Alternative
	VAT cannot be documented since treated in tax terms	VAT can be documented if treated as stand-alone main service
BCA vehicle price	1.000,00 €	1.000,00 €
Purchaser's fee	220,15 €	185,00 €
documented input tax	0,00 €	35,15 €
Total purchase price acc. to Art. 25a UStG	1.220,15 €	1.000,00 €
Resale by dealer, e.g.	1.500,00 €	1.500,00 €
Margin acc. to Art. 25a UStG (sale price	279,85 €	500,00 €
VAT to be charged thereon	44,68 €	79,83 €
VAT payable	44,68 €	79,83 €
Deductible input tax	0,00 €	35,15 €
Total payable to Tax Office	44,68 €	44,68 €

Since the basis of calculation for the purchase according to Art. 25a UStG is increased using the "BCA Regulation", the VAT to be paid in case of sale results from the reduced margin only. The result of this is therefore the actual payment owed to the Tax Office.

In case of questions, please do not hesitate to get in touch with our Tax Department:

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