



European Commission

Financial rules on food donation

Tax barriers should not prevent food donation.

Value added tax (VAT) can have implications for the transfer of surplus food from donors to food banks and other charity organisations.

VAT rules and other fiscal instruments can provide economic incentives for food donation to support the redistribution of surplus food and the prevention of food waste.



Value added tax

VAT legislation as applied in EU Member States can sometimes have implications for food donation. By adapting the rules applicable to goods handed out for free (Articles 16 and 74 of the VAT Directive), Member States can facilitate the donation of surplus food for charitable purposes.

The EU VAT Committee agreed on guidelines to ensure the uniform application of the VAT Directive across Member States.



"[...] the taxable amount shall be the purchase price of the goods (or of similar goods or, in the absence of a purchase price, the cost price of the goods) donated, adjusted to the state of those goods at the time when the donation takes place [...]"

In some Member States, little or no VAT is paid on food donation as the value of the donated food close to its 'best before' or 'use by' date is small or zero.

Relevant EU legislation

VAT Directive (Council Directive 2006/112/EC) – Member States are responsible for transposing these provisions into national legislation.

Fiscal incentives

Some Member States seek to stimulate food donation by offering:

Tax deductions

In Portugal, donors can deduct up to 140 % of the value of the food at the time of donation (limited to 8/1000 of the donor's turnover) if the food will be used for a social purpose.

140%

60%

35%

Tax credits

In France and Spain, 60 % and 35 % respectively of the net book value of donated food can be claimed as a corporate tax credit. This percentage can be deducted from the corporate tax on their revenue.



#FoodDonationGuidelines #EUCircularEconomy #FoodWasteEU

Download the EU guidelines on food donation in your language here:

ec.europa.eu/food/safety/food_waste/eu_actions/food-donation_en



EU guidelines on food donation focus on issues which need to be addressed at EU level. Where relevant, rules and guidelines of Member States need to be also taken into account.

Saving Food Together