



U.S. FORCES FEDERAL REPUBLIC OF GERMANY

Changes to Pricing on VAT Forms and UTAP Services



Summary:

Effective 01 August 2014, all VAT/UTAP Offices in Germany will incur their first price adjustment in over 20 years. VAT Forms for purchases of up to 2499,99€ will change to \$5.00 per form, VAT forms for purchases of 2500€ and higher will change to \$65.00, and UTAP Registration Service will change to \$99.00.

Why are the prices changing?

VAT and UTAP Offices are Non-Appropriated Fund Supplemental Missions. As such, these offices must “pay their own way”. These offices do not receive any type of Appropriated Fund support, but instead all expenses such as labor, computers, printers, blank forms, other supplies, must be paid from the revenue generated through VAT form sales and UTAP registration fees. In addition, every so often VAT and UTAP Offices receive payment demands from vendors for unpaid bills from US Forces members. In such cases, the VAT/UTAP Offices are obligated to resolve these issues, sometimes resulting in VAT/UTAP Offices having to pay these bills initially. Funding for this comes from the fees, followed by collection actions (an additional expense for us) against defaulting US Forces members.

More specifically, why is the price of VAT Forms changing?

MWR did a financial review of VAT operations and determined that the VAT program is losing significant amounts of money. MWR then proceeded to see if there were other ways to reduce expenses, but the savings did not offset the losses completely. MWR then evaluated the pricing of the VAT forms. Pricing for forms has not changed since the late 1980s, yet salaries, prices for blank VAT forms, computer equipment, and other supplies all have increased over the years. All expenses to run the program must be covered by all the VAT Forms sold. In order to achieve this, the price of VAT forms had to be adjusted accordingly.

Why are there no more discounts when I buy 10 VAT Forms?

The true cost of one VAT form is the same, whether you pick up one form or 10 forms at a time. If we were to reduce the price of a “10-pack”, we would have to increase the price of single forms even more to be able to cover our costs. Using a straight “\$5 per form” standard makes it also easier to handle and calculate. We do offer a small incentive for new arrivals just PCSing the first time to Germany. They will be able to buy their first set of 10 VAT forms for \$40, a \$10 initial savings.

\$65 for a VAT Form for Purchases of 2500€ or higher seems very expensive; is that price justified?

The AMSTO/Canadian Forces charge \$110 for VAT forms to buy vehicles and \$75 for VAT forms to purchase non-vehicle items. So at \$65, we are cheaper than the competition. In addition consider the savings: You spend \$65 to save 475€ on a 2500€ purchase. The savings increase exponentially, if buying vehicles which cost 10-, 20-, 30K€ or more. Spending \$65 to save 475€ or more is an excellent return on investment.

So is it still worth it to use a VAT Form?

YES! In the case of VAT forms for purchases of 2500€ or higher the savings are significant (see answer above). In the case of VAT forms for purchases of less than 2500€, it is a personal decision when to use a form. Many purchases fall into the category of less than 500€. Sometimes the additional steps and waiting in line may not be worth the savings to some individuals. Below is a table with example costs vs. savings to help you decide at what purchase amounts to start using a VAT form:

Price (incl. VAT)	Price (excl. 19% VAT)	VAT Amount (savings)
25 €	21.01 €	3.99 €
50 €	42.02 €	7.98 €
75 €	63.03 €	11.97 €
100 €	84.03 €	15.97 €
150 €	126.05 €	23.95 €
200 €	168.07 €	31.93 €
250 €	210.08 €	39.92 €
300 €	252.10 €	47.90 €

Keep in mind that the standard VAT rate is 19%, but there is also a reduced VAT rate of 7% for basic food staple items and some other goods. When purchasing goods in the 7% VAT category, the savings are less.

The UTAP registration fee will be \$99, why?

Our costs to operate the program are higher than the revenue we generate. We cannot continue to operate the program at a loss.

What do I get for my \$99?

- Sign-up with a utility company that bills without the VAT of 19% and the energy tax (percentage varies)
- No requirement to pay a deposit to the utility company
- Assistance when bills or other correspondence in German arrives from the supplier
- Assistance explaining the bills
- Assistance closing out your account when you depart

Why do I have to pay \$99 out of my pocket to help the Gov't save money?

That depends on your status. Uniformed members receive flat amounts for housing and related expenses. Any reduction in bills will be direct in-pocket savings to the service member. That means it is a financial advantage to receive utilities through the UTAP program. In the case of civilian employees receiving LQA, you are doing your part to help save taxpayer dollars. The DODI 1400.25-V1250 (revised Feb 2012) requires LQA recipients to participate in this program, if it is available. This DODI goes on to mention that the UTAP registration fee is reimbursable by way of the Miscellaneous Expense Allowance. This allowance can be requested in conjunction with a PCS move. While it appears to come out of your pocket initially, it is an expense that is reimbursed to you.

In case of further questions, feel free to call us at 0611-143-544-9888 (DSN: 544-9888).



PAY A LITTLE, SAVE A LOT: TAX RELIEF IN GERMANY



UTILITIES

Utility Tax Avoidance Program (UTAP)

Pay a one-time registration fee with MWR and save VAT costs on utilities with participating companies.

YOU PAY

\$99



19% VAT

Value Added Tax Relief

Pay \$5 per tax relief form (maximum of 10 at any given time) and save up to 19% VAT on purchases up to €2,499 with participating merchants.

YOU PAY

\$5



€ 2,500 +

Value Added Tax Relief for Major Purchases

Pay \$65 to save VAT on purchases of €2,500 or more – a significant return on investment. Visit a local VAT office for details.

YOU PAY

\$65

**SPECIAL FOR NEW ARRIVALS ONLY:
BUY 10 FORMS FOR \$40 (SAVE \$10)**

Pay \$65 to save AT LEAST €475 ...or more !

Effective Aug 2014

REFERENCE
ARMY IN EUROPE REGULATION AE 215-6

Who qualifies for Tax Relief?

- Active Duty, Reserves (when active), and some National Guard (when active, and their family members) stationed in or on TDY in Europe and North Africa (on leave from European duty locations)
- Civilian employees (and their family members) of the U.S. Forces who are entitled to full logistical support
- Civilian contractor employees with status under Article 72 or 73 of the NATO SOFA SA

- Employees of organizations accredited under Article 71, NATO SOFA SA
- Active Duty and civilian personnel assigned to International Military Headquarters in Germany when their sending nations are NATO members and have acceded to the Paris Protocol

Where can I get more information?

Contact your Garrison VAT office.