

## **Value Added Tax**

The Value Added Tax, or VAT, in the European Union is a general, broadly based consumption tax assessed on the value added to goods and services. It applies more or less to all goods and services that are bought and sold for use or consumption in the Community. Thus, goods which are sold for export or services which are sold to customers abroad are normally not subject to VAT. Conversely imports are taxed to keep the system fair for European Union producers so that they can compete on equal terms on the European market with suppliers situated outside the Union .

Many of the 183 countries that charge Value added Taxes are included in the price of the items you purchase. Recently Britain raised its rate to 20% to combat deficits. To check VAT countries go to [www.tmf-vat.com](http://www.tmf-vat.com)

### **Foreigners can get a refund for purchases made while in Europe.**

Pick the right stores to shop in while overseas. You typically will need to spend 30-250 to qualify for a refund. (Check [global-blue.com](http://www.global-blue.com)) <http://www.global-blue.com/>

Concentrate your shopping to only a few stores to maximize your refund! Try to find those stores that use the Global Blue or Premier Tax Free Programs

Look for the VAT Sticker in the windows. Such stores will typically do all the paper work needed for you. Always ask that they provide you with the paperwork before you leave the store. Some stores will even give you back the money at the store be sure to ask!

### **Pack smart.**

Put your purchases in one place in your suitcase for easy inspection. Before you depart have Customs stamp your papers: That allows you to collect cash from a refund desk or receive a credit from the merchant later.

Depending on the retailer you may have to mail the forms back so have a stamped envelope ready. You will want to drop it in at an airport before leaving.

