

How is the supply of a calendar year calculated

The supply of a calendar year is calculated separately for each Member State according to the place where the supply is created. The total supply of a calendar year in the European Union is the total supply created in the Member States in a calendar year.

The supply of a calendar year consists of:

1. taxable supply of goods and services, including supply taxable at a 0% tax rate, excluding the transfer of fixed assets;
2. supply from transactions with immovables (clauses 2, 3 and 6 of subsection 2 of § 16 of the Value-Added Tax Act), excluding the transfer of fixed assets and occasional transactions;
3. supply from insurance services (clause 1 of subsection 2 of § 16 of the Value-Added Tax Act) and financial services (subsection 2¹ of § 16 of the Value-Added Tax Act), excluding occasional services.

An occasional transaction is one where the relevant transaction is not connected to the taxpayer's main activity, their daily business, and is not a direct, permanent and necessary extension of the main activity (Judgment of the Court of Justice of the European Union in case C-378/15): for example, if a loan is granted by a company whose daily activity is not to grant loans (**also, if the income earned from an occasional activity exceeds the income earned from the main activity**).

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