

Explanation to the Value Added Tax Return (VAP-1):

The basic legal act regulating the taxation of tax on goods and services is the Act of 11 March 2004 on Goods and Services Tax (Journal of Law 2018, item 2174 as amended), hereinafter referred to as “the Act”.

The Value Added Tax Returns **VAP-1** are submitted by taxable persons who provide exclusively the international carriage services by road referring to occasional carriage of passengers by buses registered in the Member State other than Poland, who have a seat or fixed establishment from which they supply these services or if there is no such a seat or a fixed establishment, they have a permanent address or a usual residence in the Member State other than Poland, who do not deduct the input VAT, do not receive a refund of the input VAT or the tax surplus as referred in Article 87(1) of the Act, registered as “VAT taxable person – occasional carriage”.

GENERAL EXPLANATION:

1. The return is submitted by electronic means to the Second Tax Office Warszawa-Śródmieście by the 25th day of the month following the quarter, when a chargeable event occurred.

The place of submitting the return has been filled in automatically in item 6 of the return.

2. The amounts in the return are given in Polish currency (PLN).

If the payments related to supply of services, referred to in Article 134a(1) of the Act, were made in currencies other than PLN, the taxable person may convert them to PLN pursuant to the customs rules applied for the purpose of determination of the customs value of imported goods (Article 134b(4) of the Act), i.e. at the exchange rate determined as of the penultimate Wednesday of the month on the basis of current average rates calculated and announced by the National Bank of Poland, and in principle, effective throughout the next month.

Information on average exchange rates to determine the customs value is available on the Ministry of Finance website (www.podatki.gov.pl) in the section: Cło / Kursy walut / Kursy dla wartości celnej. If the taxable person does not apply this special method of conversion to PLN, then the conversion is made pursuant to general rules, i.e. according to the average exchange rate for a given currency announced by the National Bank of Poland as of the last business day before the day when a chargeable event occurred or the last business day before

the date of issuing the invoice, when the taxable person had issued the invoice before the chargeable event occurred and the invoice had been issued within the deadline stipulated by laws (Article 31a (1) and (2) of the Act).

3. The tax due shall be paid by the 25th day of the month following the quarter when a chargeable event occurred, to the bank account of the Second Tax Office Warszawa-Śródmieście.

DETAILED EXPLANATION:

In **item 1**, the VAP registration number granted by the Head of the Second Tax Office Warszawa-Śródmieście in the **VAP-5** form shall be filled in.

Section A. Place and purpose of submitting the return

In **item 7**, the correct box should be ticked. Ticking the box no. 1 means submitting the return and ticking the box no. 2 means the correction of the return. In the case of the correction of the return, also an additional explanation of reasons of the correction in the appended ORD-ZU form has to be filled in.

Section C. Transactions subject to tax

In this part the taxable person discloses all international carriage services by road referring to occasional carriage of passengers that are subject to tax, with regard to which the chargeable event occurred in the quarter for which the return is submitted. In particular rows:

- **in column a**, the bus registration number is given, by which the “VAT taxable person – occasional carriage” provided the international carriage services by road referring to the occasional carriage of passengers,

- **in column b**, the number of passengers carried by the bus, listed in column a, is given,

- **in column c**, the value of the services provided in Poland excluding value added tax is given.

When calculating the value of services, one should take into account the distance covered, i.e. the value of the services is a part of the amount due for transport performed in Poland, excluding value added tax.

In **item 19** the total value of services supplied in Poland in the quarter when a chargeable event occurred is given, excluding value added tax.

Section D. Tax calculation

In this part, in **item 20** a taxable amount is given (i.e. the amount from item 19) rounded up to full amount in PLN. The amount shall be rounded up to full PLN in such manner that amounts ending in less than 50 groszy shall be rounded down, and those ending in 50 groszy or more shall be rounded up to full PLN, pursuant to Article 63 § 1 of the Act of 29 August 1997- Tax Ordinance (Journal of Law 2019, item 900).

In **item 21** the VAT rate applicable to the carriage services of passengers is given. In the period specified in Article 146aa (1) (2) of the Act the VAT rate is 8%.