

Section 1
Understanding VAT

Complete the sentences using the words in the box below:

product, Value Added Tax, government, net price, Revenue, gross price, percentage,

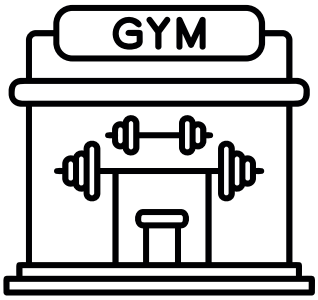
1. VAT stands for _____ .
2. The _____ is the price before VAT is added.
3. The _____ is the total price we pay, including VAT.
4. VAT is collected by businesses and paid to _____ in Ireland.
5. VAT is always calculated as a _____ of the price of a good or service.
6. The money collected through VAT helps to fund services provided by the _____
7. VAT is charged when a _____ or service is sold.

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CCPC
Coimisiún um Iomaíocht agus Cosaint Tomhaltóirí | Competition and Consumer Protection Commission

Section 2
Worked Examples

Worked Example: Gym Membership



Jamie decides to join a gym. His annual membership costs €550. The VAT rate for this service is 9%. Calculate the VAT from this gross price:

Solution:

Net Price = 100%
VAT = 9%
Total Price = 109%

(€550 ÷ 109) x 100 = €504.58
€550 - €504.59 = €45.41
Net Price = €504.59
VAT = €45.41

Worked Example: Printing Flyers



You would like to get some flyers printed.
If the net price is €52.85 and the VAT rate is 23%, How much in total (gross price) do you have to pay for your flyers?

Two-step method:
€52.85 x 0.23 = €12.15 (VAT amount)
€52.85 + €12.15 = €65.00

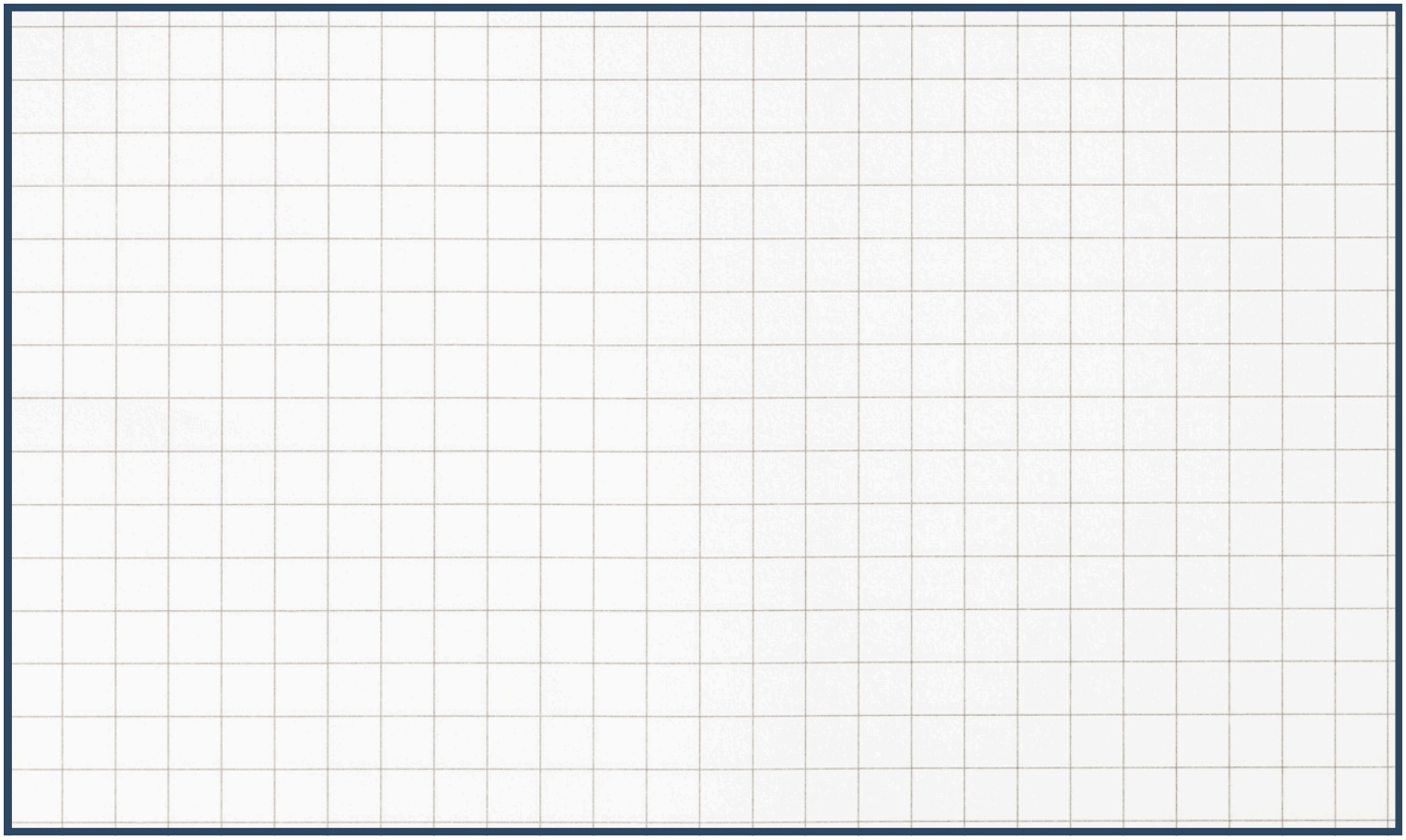
One-step method:
Net price x (1 + (VAT rate ÷ 100)) €52.85 x 1.23 = €65. 00

Section 3
Adding VAT

Two methods:

1. Multiply the net price by the VAT rate (e.g., net × 23%) and add the VAT.
2. Multiply the net price by 1 + VAT rate (e.g., 1.23 for 23%).

1. A set of headphones costs €48 before VAT. The VAT rate is 23%. Calculate the following:
   a) VAT amount
   b) Gross price



Section 3
Adding VAT

Two methods:

1. Multiply the net price by the VAT rate (e.g., net × 23%) and add the VAT.
2. Multiply the net price by 1 + VAT rate (e.g., 1.23 for 23%).

2. A haircut costs €32 before VAT. The VAT rate is 9% (since July 2026). Calculate the following:
   a) VAT amount
   b) Gross price

Section 4
Gross price and calculating VAT

Gross price = (100% + VAT%) of the net price.
So:
Net price = Gross ÷ (1 + VAT rate).

VAT Paid=Gross Price−Net Price

1. A tablet costs €369 including VAT at 23%. Calculate the following:
   a) Net price
   b) VAT paid

Section 4
Gross price and calculating VAT

Gross price = (100% + VAT%) of the net price.
So:
Net price = Gross ÷ (1 + VAT rate).

VAT Paid=Gross Price−Net Price

2. A meal in a café costs €14.50 including VAT at 9% (since July 2026). Calculate the following:
   a) Net price
   b) VAT paid

Section 5
Extension Activity

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Go to the following CCPC webpage:
https://www.ccpc.ie/consumer-advice/consumer-rights/pricing-and-advertising/pricing

1. A shop advertises a watch with a price tag of €120.

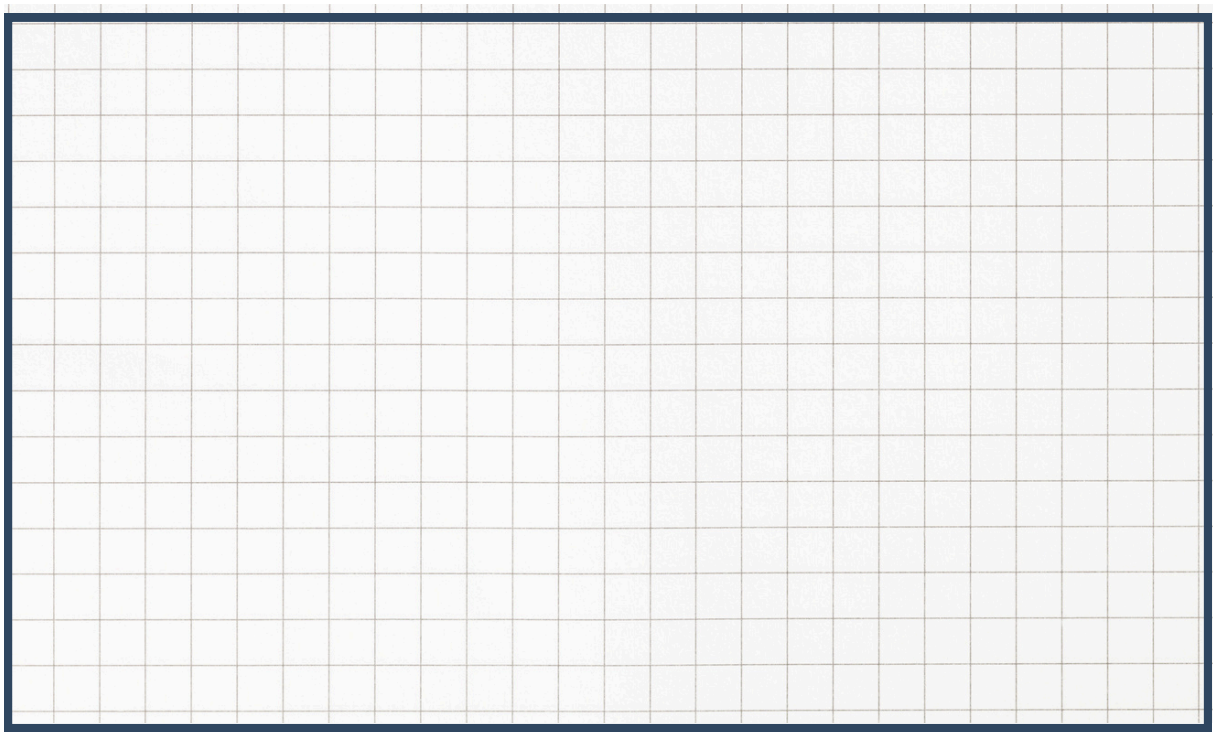
a) Based on the CCPC information you found does this price include VAT or before VAT is added?

_____

2. A shop sells a games console for €430.50. This includes a charge of €80.50 for VAT.

a) What is the price of the games console before VAT was added?
b) At what percentage rate was VAT charged?

Rate of VAT = VAT paid ÷ price before VAT was added





Section 6
Discussion Questions

Why do you think there are different VAT rates for different goods and services?

Do you think VAT is important for funding public services?

Do you think that different VAT rates can influence your decisions to buy something or not?