

Decoding the value-added tax adds to Europe trip's pleasures

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Whether you purchase a pair of oversized Ferregamo sunglasses in Milan or an Aran sweater

IN THE KNOW from Blarney

Woolen Mills in Ireland, you are entitled to get the value-added tax (VAT) refunded. In Italy, you have to spend 155 euros (\$198) at one store to be entitled to the 23 percent VAT refund (as of September). The VAT in the Emerald Isle is also 23 percent, but there is no minimum purchase.

The VAT is like a sales tax, except it is already built into the price you pay instead of being added at the cash register. Each country has its own VAT rate, ranging from 15 to 25 percent, about 20 percent on average. To get any refund, your purchase usually has to be above a certain amount at any one store — ranging from about \$30 to several hundred dollars, depending on the country. Refunds must be collected within three months of purchase.

The problem most tourists

have is that the refund process seems too complicated, not worth the effort. A lot of people don't even know that they are entitled to a refund.

On your next trip to the Continent, follow these five steps to to be a savvy consumer.

1. Bring your passport, or a photocopy, with you (well hidden in a travel belt) on your shopping excursion. The vendor will need proof that you are not a European Union citizen and thus entitled to a VAT refund.

2. Make sure the store offers the refund. Look for the decal (usually on the store window) or ask the merchant before you purchase.

3. Get the necessary documents from the retailer. The receipt is not enough. The vendor will fill out a form called a "cheque," which is Euro speak for your refund document. Let them fill out the form for you — most salespeople fill out dozens of these a day — and double check that they stamp it and fill out the form completely. Ask them to attach the receipt to the cheque.

4. When packing to leave, try to place your purchases in a carry-on, preferably on top or in the zippered pouch, and have your receipts ready. This will expedite the process at customs. No matter how cool your new boots are, do not wear them. By law these items are supposed to be unused, and customs officials will not be amused.

5. Arrive early at the airport (or ferry or train station), or wherever your last port of call in Europe is. Before checking in, find out where the customs office is and be prepared to wait in line. I have had to forgo refunds because I didn't allow enough time at the airport to find both the customs booth — where you open your suitcase and show the items purchased and matching receipts — and the Global Tax Refund Office, where you present your stamped "cheques" for refund, either credited to your credit card or cash (in dollars, pounds, or euros).

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