

ECJ Decides on Default Interest on Tax Refund Due to Adjustments on Tax Return: *Gemeente Dinkelland* (Case C-674/22) (VAT)

22 February 2024

Report from IBFD Knowledge Centre

On 22 February 2024, the Court of Justice of the European Union (ECJ) gave its decision in *Gemeente Dinkelland v. Ontvanger van de Belastingdienst/Grote ondernemingen, kantoor Zwolle* ([Case C-674/22](#)) based on a number of grounds.

"On those grounds, the Court (Fourth Chamber) hereby rules:

In the light of all the foregoing considerations, the answer to the questions referred is that EU law must be interpreted as not requiring the payment of interest to a taxable person as from the payment of an amount of value added tax (VAT) which is subsequently refunded by the tax authority, where that refund results, in part, from the finding that that taxable person, due to errors in its accounts, did not fully exercise its right to deduct input VAT for the years concerned and, in part, from an amendment, with retroactive effect, of the detailed rules for calculating the deductible VAT relating to the general costs of that taxable person where those rules are established under the sole responsibility of that taxable person."

For a previous TNS regarding the case, see [Netherlands-1, News 6 February 2023](#).

A more substantial report containing details of the ECJ's decision will be published in the ECJ Case Law collection in due course.