

Paper Trail

EU countries allow refunds of VAT on most expenses incurred by business travelers, such as hotel rooms, meals and car rentals. It's up to the companies to file for the refunds, but most don't bother with the hassle unless they have a corporate-tax expert to do the work.

Business travelers need save all their receipts and hand them over to the company when they return from abroad. The companies then apply for the refunds by submitting the original receipts along with official application forms in the local language of the country visited.

Across Europe, the deadline for submitting refund claims is June 30 for the previous year. But it can take anywhere from two months to two years for the money to be returned, depending on the country. And, of course, refunds are in the local currency.

It's no surprise that U.S. companies seek only about 20% to 30% of eligible refunds, according to Raj Shah, president of Universal VAT Services, an Atlanta-based company that pursues refunds for businesses. That means they are leaving behind more than \$1 billion a year, he says, adding that many companies are unaware that they even have a right to the refund.

Companies could sidestep most of the hassle by doling out the work to a tax-reclaim agent familiar with the myriad local rules. The agent usually charges about 20% of the value of the refund to fill out and submit all of the paperwork.

COUNTRY	NAME	ACRONYM
U.K., Ireland	Value Added Tax	VAT
France	Taxe a la Valeur Ajoutee	TVA
Germany	MehrWertSteuer	MWSt
Australia, Singapore, Canada	Goods and Services Tax	GST
Mexico	Impuesto sobre Valor Agregado	IVA
Japan	Shohizei	