

## VAT (Value Added Tax) Factsheet

### **Q What is VAT?**

**A** VAT is a form of consumption tax – a tax applied to purchases of goods and services.

### **Q What is VAT Exemption?**

**A** Some sales of goods and services are exempt from VAT. That means if you buy them there will be no VAT to pay.

### **Q I have a disability, on what goods and services can I obtain VAT relief?**

**A** In summary, VAT relief is available on certain goods that have been designed or adapted for your use, parts and accessories for use with those goods, services relating to the installation or repair and maintenance of those goods and certain building work. If VAT relief is available, the goods and services will be zero rated for VAT; which means you will not be charged VAT (normally 20%). A full list of qualifying goods and services can be found in VAT Notice 701/7: <https://www.gov.uk/government/publications/vat-notice-7017-vat-reliefs-for-disabled-people/vat-notice-7017-vat-reliefs-for-disabled-and-older-people>. Usually, your supplier will be able to help you.

### **Q Do I need to be registered as disabled, or be on benefits, in order to qualify?**

**A** No. Obtaining VAT relief is not dependent on whether you are registered as disabled, or the benefits you may or may not get. The VAT law refers to disabled people, which means disabled people who are 'chronically sick or disabled'. A person is 'chronically sick or disabled' if he or she has a physical or mental impairment which has a long-term and substantial adverse effect upon his/her ability to carry out everyday activities. Or a condition which the medical profession treats as a chronic sickness such as diabetes.

### **Q Will the supplier automatically provide the goods or services free of VAT?**

**A** No, the supplier will require a written or an electronic declaration from you. The supplier will need to retain the declaration as evidence in support of not charging you VAT.

### **Q Where can I obtain the relevant declaration form and what needs to be included?**

**A** The declarations are available on the HM Customs & Revenue website: <https://www.gov.uk/government/publications/vat-reliefs-for-disabled-people-eligibility-declaration-by-a-disabled-person>

The Trust can also send you the forms. The details to be included will depend on what is being purchased. Further detail relating to some of the common goods and services, qualifying for relief, are given below.

### **Q Can I buy a car VAT free?**

**A** You can usually purchase a car VAT free when ALL of the following apply:

- you usually use a wheelchair
- the vehicle is designed, or permanently and substantially adapted, for your use
- the vehicle is for your domestic or personal use, and

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- you give the supplier a completed declaration (form VAT1615A)

The detailed rules about buying a car VAT free are included in VAT Notice 1002, which also includes a link to the relevant declaration form:

<https://www.gov.uk/government/publications/vat-notice-1002-adapted-motor-vehicles-for-disabled-people-and-charities/vat-notice-1002-adapted-motor-vehicles-for-disabled-people-and-charities>

### **Q If my car only requires minor adaptations is VAT relief available?**

**A** There is no VAT relief on the purchase of the car. However the adaptations and their installation may qualify for relief. For example, if you require an extended gear stick, adapted handbrake, or extended steering column because of your upper limb damage then the cost of installing these adaptations will be exempt from VAT.

### **Q I drive a regular automatic car because of my disability but have no adaptations – does that qualify?**

**A** No, because a regular automatic car has not been adapted for use by a disabled person, so VAT is always charged.

### **Q What other goods might qualify for VAT relief?**

**A** Some of the other goods that can qualify for relief are:

- medical or surgical appliances (designed solely for the relief of a severe abnormality or injury)
- electrically or mechanically adjustable beds (designed for certain disabled people)
- commode chairs, commode stools, devices incorporating a bidet jet and warm air drier and frames or other devices for sitting over or rising from a sanitary appliance
- chair lifts or stair lifts (designed for use with wheelchairs for certain disabled people)
- hoists and lifters (designed for use by certain disabled people)
- equipment and appliances (designed solely for use by disabled people)
- emergency alarm call systems (including the services performed by the control centre).
- Various bathroom, bedroom and seating, mobility, eating and drinking, and household aids qualify for VAT exemption too. Websites like NRS Healthcare indicate which aids qualify for VAT exemption and provide you with the facility to claim the VAT relief when you purchase goods online.

### **Q What building works qualify for VAT relief?**

**A** Qualifying building work, supplied to disabled people, will generally fall into one of three categories:

Ramps, doorways, and passages, provided the work is done to help you gain access to, or move about within, your home (this does not include the construction of a new doorway or passage). Widening a passage includes the widening of an existing room through which you pass to gain

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access to another room (for example a bedroom which has an en-suite facility). Widening a path across your garden qualifies but not the construction of a new path.

Bathrooms, washrooms and lavatories (installation, extension or adaption), provided the work is necessary because of your condition.

Installation or repair and maintenance of lifts, provided the lift is designed to help you move between different floors of your home. Any preparatory work, restoration work and making good that is required, in relation to the qualifying building works above, will also usually qualify for relief.

### **Q** Isn't that a bit complicated?

**A** That is an understandable question. VAT is often far from straightforward, so the best approach is to consider the possibility of VAT relief and obtain advice well in advance of any purchase.

### **Q** Finally, are the VAT relief rules likely to change?

**A** Almost certainly. VAT rules are often updated, or changed. For example there has been a recent consultation about VAT relief for cars, which has resulted in relief being limited to the purchase of one new car every three years.

### **Q** Where can I get more information?

**A** If you have any questions about VAT you should contact Keith Everest, [keith.everest@thalidomidetrust.org](mailto:keith.everest@thalidomidetrust.org) or Jeff Prevost, [jeff.prevost@thalidomidetrust.org](mailto:jeff.prevost@thalidomidetrust.org).

If you want to speak to either Keith or Jeff, you can call the Trust office on 01480 474074.

HMRC also offer a helpline, which can be reached on 0300 123 1073.