**KENT COUNTY COUNCIL**

**SOCIAL CARE, HEALTH AND WELLBEING**

**SERVICE USERS ADVICE NOTE No 15**

**VALUE ADDED TAX**

**INTRODUCTION**

* This advice note tries to briefly explain the relief available from payment of Value Added Tax (VAT) which applies to certain goods and services supplied for the domestic or personal use of a registered disabled person.

**WHAT GOODS AND SERVICES ARE COVERED?**

* A full list of goods and services covered are listed in the leaflet VAT Reliefs for People with Disabilities (VAT notice reference 701/702 available from HM Customs and Excise)
* The goods covered are certain medical and surgical appliances, beds, hoists, lifts, emergency alarm systems and certain vehicles.
* Services include the installation, repair and maintenance charges for lifts, the construction of ramps, door widening and adaptations to bathroom, washroom and lavatory facilities in a disabled person’s private residence.
* The provision for zero rating also covers preparatory work and making good.

**WHAT SERVICES ARE EXCLUDED?**

* Adaptations to kitchens do not qualify for relief, unless the kitchen is purpose designed and built for a wheelchair user.
* Adaptations to bedrooms do not qualify for relief.
* VAT is charged on kitchen appliances.
* Even if the work is carried out solely for the benefit of a disabled person VAT is charged at the standard rate.

**HOW DO I GET ZERO-RATING**

* Your builder or supplier should be aware of the relief from VAT that will apply to the goods or services you are purchasing.
* It will be necessary for you to complete a declaration form to pass on to your builder or supplier stating your disability and the type of work carried out.
* The builder will keep this as part of his VAT records.
* Examples of the forms are illustrated in VAT notice 701/702, and also attached to this advice note.

**SUMMARY**

* Certain goods and services supplied to a disabled person are eligible for zero rating.
* Check with your builder or supplier whether the goods supplied to you qualify for zero rating.
* To claim zero rating where appropriate, complete a declaration form stating your disability and the services provided and pass to your supplier/builder. They need this form for their own records.
* For further advice refer to the VAT leaflet: VAT Reliefs for People with Disabilities (Leaflet 701/702) available from your local HM Customs and Excise.
* The advice note is a brief list of the provisions for zero-rating that apply. If you require further help, advice or the VAT notice 701/702 contact the HM Customs & Excise National Advice Service.

VAT Helpline

**Telephone 0845 010 9000**

**Textphone 0845 000 0200**  For customers who are deaf or hearing or speech impaired

Opening hours 8.00 am to 8.00 pm Monday to Friday

* If you wish to refer to the HM Customs & Excise Internet website it is [www.hmce.gov.uk](http://www.hmce.gov.uk) where all publications can be viewed.

**MAJOR ADAPTATIONS**

**VAT EXEMPTION FORM**

ADAPTATIONS FOR PEOPLE WITH DISABILITIES: SUPPLY TO AN INDIVIDUAL

I (full name) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Of (address) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

declare that I am eligible person under Paragraph 1 of the VAT leaflet 701/7/86, that I am suffering from:

Description of illness: …………………………………………………

(Eg, diabetes) …………………………………………………………….

…………………………………………………………….

and that I am receiving from: ………………………………………………

(Supplier): ………………………………………………

The following alterations to my private residence: (description of alterations – see following notes)

And I claim that the supply of these goods or services is eligible for relief from Value Added Tax Group 14 of the Zero Rate Schedule to the Value Added Tax Act 1983.

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

There are severe penalties for making a false declaration. If you are in any doubt about your own eligibility of the goods or services you are buying, you should get advice from any local VAT office before signing this declaration.

GIVE THIS FORM TO YOUR BUILDER

**NOTES RE: VAT EXEMPTION FORM**

What services are covered?

Supplies of any of these services can be zero-rated:

(a) the installation of, repair to and maintenance of a lift to facilitate the movement of a disabled person in his private residence;

(b) constructing ramps, widening doorways or passages in a disabled person’s private residence;

(c) constructing ramps, widening doorways or passages for a charity to enable a disabled person to enter or move within any building;

(d) providing, extending or adapting a bathroom, washroom or lavatory in a disabled person’s private residence where this is necessary by reason of his condition.

Any goods supplied in connection with the services at (a) – (d) by the person carrying out the services are also covered.

The relief under (b) and (c) covers any preparatory work and making good work. For example, with the widening of a doorway, the removal of bricks and mortar, the installation of a new frame and surround, the supply and fitting of a wider door and the restoration of the décor are all within the relief.

Under (d), in addition to the actual provision, extension or alteration, other work essential to the provision of the facilities can be zero-rated. For example, the demolition of an existing outside toilet, preparation of footings including ground levelling, provision of water, gas, electricity and drainage as necessary, essential covered access to newly provided facilities and decoration or restoration of the décor. Where economy and feasibility considerations dictate that a bathroom, washroom or lavatory has to be constructed or extended in the space occupied by an existing room, e.g. a bedroom or kitchen, the restoration of that room to its original size can be regarded as part of the work essential to the provision of the bathroom etc, and zero-rated. Where an extension to provide a bathroom, washroom or lavatory includes a bedroom/dayroom, the supply should be apportioned between its zero-rated and standard-rated parts.

**FOR SUPPLY OF EQUIPMENT**

**EQUIPMENT FOR PEOPLE WITH DISABILITIES: SUPPLY TO AN INDIVIDUAL**

I …………………………………………………………………………………….

OF………………………………………………………………………………….

Declare that I am chronically sick or disabled and that I am receiving

a) the following goods which are being supplied to me for domestic or personal use:

OR

b) the following services to adapt goods to suit my condition:

OR

c) the following services of repair of maintenance of goods:

OR

d) the following alterations to my private residence:

And I claim that the supply of these goods or services is eligible for relief from Value Added Tax under Group 14 of the Zero Rate Schedule to the Value Added Tax Act 1983.

Signed: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_