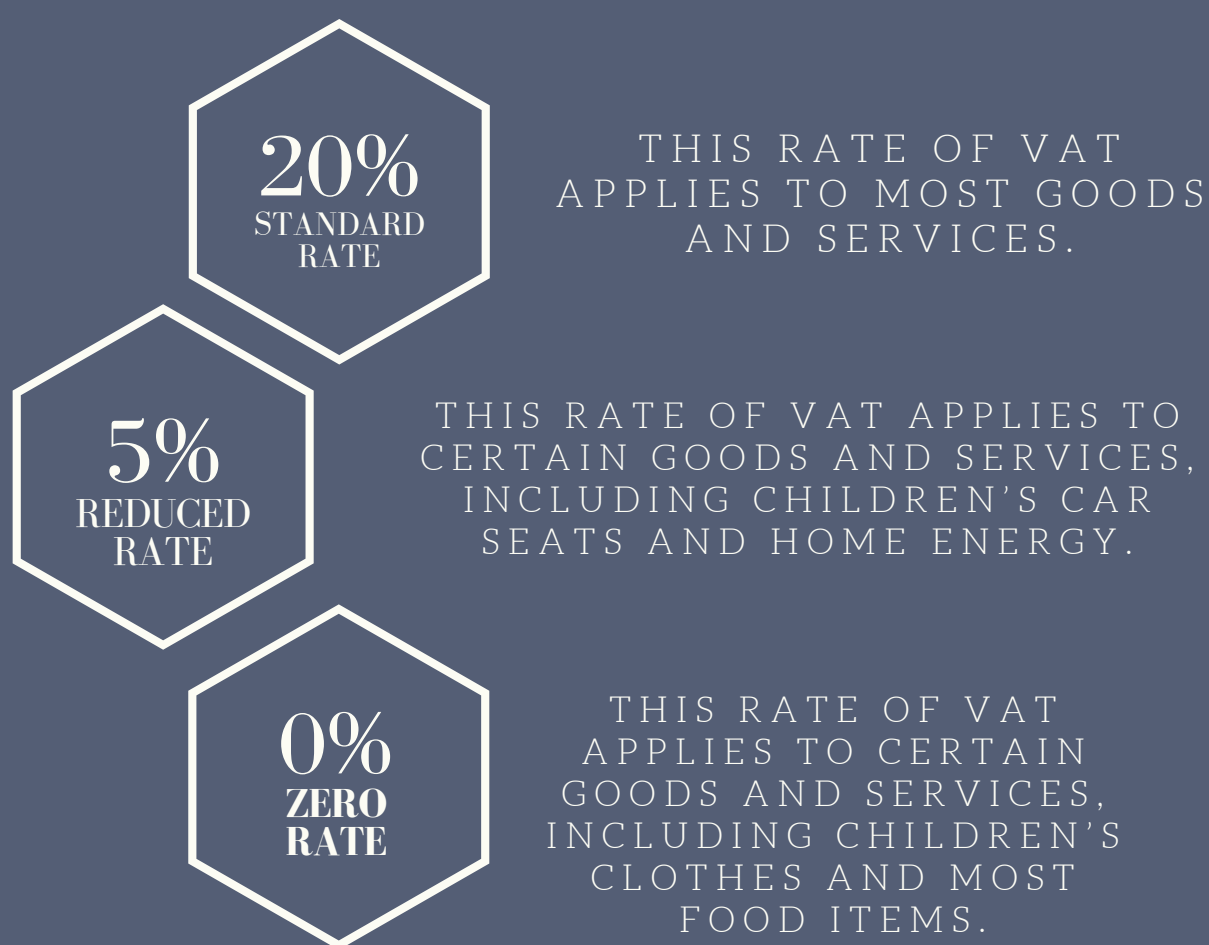


UK VAT RATES & THRESHOLDS 2021/22

LAST UPDATED 06/04/21



TEMPORARY REDUCTION IN VAT

- THERE IS A TEMPORARY REDUCTION IN VAT FOR HOSPITALITY AND TOURISM SERVICES AFFECTED BY THE CORONAVIRUS CRISIS.
- FROM 15TH JULY 2020 TO 30TH SEPTEMBER 2021, A REDUCED RATE OF 5% VAT WILL APPLY TO SUPPLIES OF FOOD AND NON-ALCOHOLIC DRINKS FROM RESTAURANTS, PUBS, BARS, CAFES AND SIMILAR PREMISES.
- THE SAME REDUCTION WILL APPLY OVER THE SAME TIME PERIOD TO THE SUPPLY OF ACCOMMODATION AND ADMISSION TO ATTRACTIONS. THIS TEMPORARY VAT REDUCTION WILL APPLY TO ALL QUALIFYING VAT-REGISTERED BUSINESSES ACROSS THE UK.

UK VAT THRESHOLD 2021/22

- EACH MONTH YOU NEED TO TOTAL YOUR SALES FOR THE MONTH. YOU THEN NEED TO KEEP A 12 MONTH RUNNING TOTAL, THAT IS, THE TOTAL AMOUNT FOR THAT MONTH AND THE PREDING 11 MONTHS OF YOUR VAT TAXABLE TURNOVER. FOR MANY BUSINESSES, THE VAT TAXABLE TURNOVER AND SALES WILL BE THE SAME. WHEN THAT TOTAL REACHES THE VAT REGISTRATION THRESHOLD (£85,000 FOR A 12-MONTH PERIOD ENDING IN 2021/22), YOU NEED TO REGISTER BY THE END OF THE FOLLOWING MONTH
- FOR EXAMPLE, IF YOUR VAT TAXABLE TURNOVER EXCEEDS £85,000 FOR THE 12 MONTHS 31 AUGUST 2021, YOU NEED TO REGISTER FOR VAT BY 30 SEPTEMBER, 2021.