

## **New VAT registration tool released by HMRC**

HM Revenue & Customs have released a new tool designed to help businesses find out what VAT registration would mean for their business.

VAT registration becomes mandatory if:

- your total taxable turnover exceeds £90,000 over the previous 12 months.
- you expect your taxable turnover to go over £90,000 in the next 30 days.
- you're based outside the UK and supply goods and services to the UK.

Taxable turnover refers to the total value of everything you sell except for anything that is exempt from VAT.

It is also possible to register for VAT voluntarily even if your annual taxable turnover is below £90,000.

If the majority of customers for your business are VAT registered then there is no increase in costs for them, and so voluntary VAT registration can be worthwhile so that you can claim VAT back on the purchases you make.

The new HMRC tool can help you to estimate what VAT might be owed or reclaimed by your business if you were to register for VAT. You are free to use the tool to explore multiple 'what-if' scenarios so that you can compare various situations and how you might be affected.

To use the tool, please see: <https://www.gov.uk/guidance/check-what-registering-for-vat-may-mean-for-your-business> (to open this link - right click and then click 'open hyperlink').