

VAT: REDUCED RATE FOR HOSPITALITY, HOLIDAY ACCOMMODATION AND ATTRACTIONS

The government has updated its guidance on reduced rate VAT. A new section about Retail Schemes has been added to the guide. Its original announcement was on 8 July 2020 allowing VAT registered businesses to apply a temporary 5% reduced rate of VAT to certain supplies relating to:

- / hospitality
- / hotel and holiday accommodation
- / admissions to certain attractions

The temporary reduced rate will apply to supplies that are made between 15 July 2020 and 12 January 2021.

Retail schemes

Catering businesses using retail schemes may have to alter their accounting systems for the period 15 July 2020 to 12 January 2021.

If you have a bespoke retail scheme agreement, you should review it and if you think an alteration is needed, contact your large business Customer Compliance Manager. If you are not a large business customer you should contact: Kamran.Hussain@hmrc.gov.uk

See: https://www.gov.uk/guidance/vat-reduced-rate-for-hospitality-holiday-accommodation-and-attractions?utm_source=201fd1f2-5721-4931-bf8e-260762149a95&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate#history