



## Value Added Tax

From	1.1.2010	1.5.2009	1.12.2008	1.4.2008
Standard rate	17.5%	15%	15%	17.5%
VAT fraction	7/47	3/23	3/23	7/47
Taxable turnover limits				
Registration – last 12 months or next 30 days over	£68,000	£68,000	£67,000	£67,000
De-registration – next 12 months under	£66,000	£66,000	£65,000	£65,000

There were not many unexpected changes in the Budget, the most significant being the detailed changes to cross-border supplies of goods and services from 1 January 2010. The key points are as follows:

### Registration and de-registration

The usual, small increases have been applied. The registration threshold will be £68,000 and the de-registration threshold £66,000 from 1 May 2009.

### Standard rate changes

It has been confirmed that the standard rate will revert to 17.5% from 15% on 1 January 2010. To accompany the increase in the VAT rate anti-avoidance provisions will allow an additional 2.5% charge where invoices are issued artificially early.

### Fuel scale charges

As usual changes to fuel scale charges will apply to tax periods starting on or after 1 May 2009. The changes reflect fluctuations in fuel prices and are based on the CO<sub>2</sub> emissions of vehicles.

### Further simplification of the option to tax

Fewer businesses opting to tax land or buildings will need prior written permission from HM Revenue & Customs as a new automatic permission condition will be introduced from 1 May 2009.

### Bingo and other games of chance – scope of VAT exemption widened

From 27 April 2009, participation charges for all bingo and other games of chance will be exempt.

### Reduced rate to apply to children's car seat bases

From 1 July 2009, the 5% rate will apply not only to children's car seats but also to related wheeled framework, booster seats and booster cushions.

### Cross-border VAT changes from 2010

From 1 January 2010, changes will be made to cross-border VAT to improve simplicity and help prevent fraud. The place of supply of most services will be where they are received and subject to the reverse charge; the time of supply will change to when a service is performed or when it is paid for, whichever is the earlier (with special rules for continuous supplies of services); European Community (EC) sales lists will include business to business supplies of services with filing times reduced, and refunds of VAT incurred in other Member States will be claimed electronically from HM Revenue & Customs.

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