

## VAT RELIEF ON PRODUCTS AND SERVICES FOR DISABLED PEOPLE

VAT is a tax that you pay as a consumer when you buy goods and services in the European Union (EU), including the United Kingdom. **In the UK the standard rate for VAT is 17.5 per cent.** Disabled people don't have to pay VAT when they buy equipment that has been designed for disabled people or when they have equipment adapted so they can use it. Also, VAT is not charged on certain services provided to disabled people, including building work to adapt a disabled person's home and the hire of disability equipment like wheelchairs.

Goods and services on which you don't have to pay VAT are often referred to as 'zero-rated' or 'eligible for VAT relief'. In other words, the rate of VAT that is charged on them is zero. The rules about VAT reliefs for disabled people are complex. Not everything that is supplied to disabled people is zero-rated for VAT.

**WHO IS ELIGIBLE FOR VAT RELIEF:** VAT law states that you must be 'chronically sick or disabled' to qualify for VAT relief. A person is 'chronically sick or disabled' if they:

- have a physical or mental impairment that has a long-term and severe effect on their ability to carry out everyday activities
- have a condition that doctors treat as a chronic sickness (**like diabetes, for example**) or
- are terminally ill

**A person with a temporary injury like a broken leg would not qualify, nor would a frail older person who was generally able-bodied. A product or service must also be supplied for the 'personal and domestic use' of a chronically sick or disabled person to qualify for zero-rating.**

### **THINGS NOT COVERED BY THIS INCLUDE:**

- products and services used for business purposes
- products made widely available for a group of people to use
- products and services supplied to people who are staying or living in a hospital or nursing home, as part of their medical or surgical treatment or with any form of care

### **PRODUCTS THAT ARE ELIGIBLE FOR VAT RELIEF:**

Some examples of products that are Zero-rated for VAT are:

- wheelchairs
- some medical and surgical appliances - like artificial limbs, for example
- electrically or mechanically adjustable beds
- gadgets that make everyday tasks easier for disabled people, like kettle tippers
- chair or stair lifts
- computer software or hardware designed specifically for disabled people
- gadgets and devices that are designed specifically to make everyday tasks easier for disabled people, like kettle tippers
- vehicles that have been adapted for use by a disabled person

in Connect Wyre Forest  
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Registered Charity No: 1053933

## **SERVICES THAT ARE ELIGIBLE FOR VAT RELIEF:**

Services that are eligible for zero-rating include:

- the servicing, maintenance and installation of disability equipment
- adaptation work on equipment or appliances so a disabled person can use them
- some building alterations to a disabled person's home
- the hire of qualifying disability equipment

## **LEASING A VEHICLE OR WHEELCHAIR UNDER THE MOTABILITY SCHEME:**

Motability is a charity that provides vehicles and powered wheelchairs to disabled people. You don't have to pay VAT when you lease a vehicle or wheelchair under the Motability Scheme.

## **ADAPTATIONS TO YOUR HOME:**

The work involved in some adaptations to disabled people's homes is eligible for VAT relief.

However, the rules about adaptations to buildings and VAT are complex. You should always ask whether the adaptation work to your home will be eligible for VAT relief when you're hiring a builder or other tradesperson.

## **HIRING DISABILITY EQUIPMENT:**

You don't have to pay VAT when you hire qualifying disability equipment. This applies to large equipment, like powered wheelchairs and hoists (which is usually hired from private companies) and specialised equipment for people with specific disabilities (which is often available from disability organisations and charities).

## **HOW VAT RELIEFS WORK:**

Before you pay for any product or service, check that it qualifies for zero-rating and that the supplier is registered for VAT.

When you buy a zero-rated product or service, you may have to sign a form declaring that you have a chronic illness or disability and what it is. You must also declare that the product or service is for your own 'personal or domestic use'. The supplier should have copies of this form.

You can then buy the product or service at a price that excludes VAT. You don't have to pay VAT and then reclaim it from the government – it will be taken off the purchase price before you pay. You can find an example of the declaration form in the 'VAT reliefs for disabled people' notice on the HM Revenue & Customs website. You can find out more about VAT reliefs for disabled people on their website.

**HM Revenue & Customs website:** [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

## **VAT RELIEFS FOR DISABLED PEOPLE**

**Telephone: 0845 302 0203**

This helpline is part of HMRC Charities. When you call this number, **please choose option 3 to speak** to an advisor about VAT reliefs for disabled people

HM Revenue and Customs

VAT Reliefs for disabled people, St John's House, Merton Road, Liverpool L75 1BB

**We cannot be held responsible for the level of service provided by the organisations included in this publication.**

All details correct at time of publication, if you find that this info is inaccurate please call us.

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