

McGovern Accountancy Ltd.

VAT - Autumn Budget 2017

The following is a summary of the 2017 Autumn Budget in relation to VAT

Thresholds

The current VAT registration and deregistration thresholds will remain in place for two years from 1 April 2018. The VAT registration threshold is currently £85,000 and the deregistration threshold is £83,000.

Joint & several liability – Online Marketplaces

A measure has been introduced to enable HMRC to hold online marketplaces jointly and severally liable for any future unpaid VAT of a UK business arising from sales of goods in the UK via that online marketplace.

It will further allow HMRC to hold online marketplaces jointly and severally liable for any unpaid VAT of a non-UK business arising from the sale of goods in the UK via that online marketplace where that marketplace knew or should have known that the non-UK business should be registered for VAT in the UK.

The online marketplaces will be required to display a valid VAT number for all their sellers using their platform when they are provided with one and also ensure the VAT numbers are valid.

VAT on vouchers

The government is planning to legislate in Finance Act 2018-19 to ensure businesses account for the same amount of VAT when customers pay with vouchers compared with other means of payment.