



VAT RELIEF FOR DISABLED PEOPLE

Introduction

If you're disabled, you don't have to pay Value Added Tax (VAT) on certain goods and services that you buy, nor on some goods that you bring into the UK.

For example, relevant equipment designed solely for use by disabled people is eligible for what is commonly called zero-rating (ie 0% VAT), as are certain building alterations.

This factsheet explains what's eligible for zero-rating, who qualifies, and what relevant customers have to do to make sure their suppliers don't charge them VAT.

How the VAT relief works

If the goods or services that you buy qualify for zero-rating, your supplier should simply not charge you VAT. It isn't a case of you having to pay the tax, then claim it back from HM Revenue & Customs (HMRC).

Which equipment and services can be bought without paying VAT?

If you're disabled, you shouldn't have to pay VAT when you buy any of the following:

- Adjustable beds
- Chair lifts or stair lifts designed for use with a wheelchair (it isn't necessary for the lift to carry the person while seated in the wheelchair)
- Hoists and lifters
- Sanitary devices such as commode chairs
- Certain specialised hearing devices (but not standard hearing aids)
- Low vision aids (but not spectacles nor contact lenses)
- Medical appliances designed solely for the relief of a severe abnormality or a severe injury
- Certain alarm call systems
- Motor vehicles designed or substantially and permanently adapted for a disabled person
- Manual and powered wheelchairs and mobility scooters
- Boats designed or substantially and permanently adapted for the disabled
- You won't have to pay vat on parts or accessories that are designed solely for use in or with eligible goods (except boats).

Certain building alterations to a disabled person's private residence may also qualify for zero-rating, such as:

- Constructing ramps or widening doors or passages
- The supply and fitting of a wider door
- Installation of new frames and surrounds.

Who can buy these goods and services without paying VAT?

You'll only be eligible to buy goods and services zero-rated if you're disabled and are buying them for your personal or domestic use.

What counts as disabled?

For zero-rating, the majority of SCI people will be within HMRC's definition.

This definition is someone who has a physical impairment or condition, which has a long-term and substantial adverse effect upon that individual's ability to carry out everyday activities.

People who are temporarily disabled or incapacitated (such as someone who breaks a leg) don't qualify for zero-rating.

You don't have to buy the goods in person. It's fine if they're supplied, on your behalf, to say a parent, spouse, guardian or trustee.

What counts as personal or domestic use?

Personal or domestic use means that the goods are supplied for your private use (as opposed to say business use).

Zero-rating doesn't apply when equipment is to be made available for general use by a wider group of people. However, if you or your partner are both chronically sick or disabled and you buy goods or services for both of you to use, then you won't have to pay VAT.

How to prove that you qualify when you buy goods and services without paying VAT

Suppliers must obtain the information needed to confirm that customers are eligible for zero-rating.

So, to demonstrate your entitlement, HMRC ask that you provide your supplier with a simple, written declaration. This has to give enough background to show that you qualify.

Don't worry if you can't sign a written declaration yourself. The signature of a parent, guardian, representative, doctor or other health professional is absolutely fine.

Sometimes, a supplier will have their own template declaration. However, just in case they don't, it is worthwhile taking a part-completed form with you when you go to purchase goods.

You may wish to use the wording at Appendix 1 to this factsheet. This is based closely on HMRC's own suggested template.

What goods and services for disabled people can be zero rated?

Equipment and appliances that have been designed solely for use by disabled people are often eligible for zero-rating. However, the fact that an item is mainly bought by the disabled isn't enough!

As but one example, take adjustable beds. This is a competitive marketplace, which is divided between suppliers who are geared towards helping disabled people and those who are aiming at a much wider market, such as those who suffer from back pain or circulation problems. The 'designed for disabled people' requirement is an important means of confining zero-rating to highly-specialised adjustable beds and avoiding zero-rating spreading into the mainstream adjustable beds market. So, for an adjustable bed to be zero-rated when supplied to a disabled customer, that bed must clearly stand out as being something specialised for the use of disabled people and akin to beds commonly used in hospital wards. So, it would be expected to have features such as variable height mechanism and fixing holes for optional parts (such as 'cot' sides).

Designers, manufacturers or importers of eligible goods must have evidence that goods qualify for zero-rating. There isn't any single piece of evidence that must be held, but it may include design specifications, patent applications; and documents commissioning clinical trials or reporting on their outcome.

If you're unsure whether what you're thinking of buying is eligible for zero-rating, ask the supplier for evidence!

Continence products

People who are incontinent and live in their own homes are entitled to buy incontinence products zero-rated. Eligible items include: disposable and washable pads, waterproof or leakproof underwear; and collecting devices. No eligibility declaration is needed for smaller purchases.

However, if you buy in bulk (whether from a retailer, over the Internet, or by mail order) a signed declaration or other evidence is required confirming that you're purchasing the products for your domestic or personal use.

HMRC deems bulk sales to be more than:

- 200 disposable pads
- 50 washable pads
- 5 collecting devices
- 10 pairs of waterproof or leak-proof underwear.

Computer software and hardware

You can buy computer equipment that's been designed solely for use by disabled people without VAT. However, general use computer equipment including laptops, tablets and e-readers can't be zero-rated even if sold with certain applications, which may assist disabled people such as voice recognition. This is because the equipment hasn't been designed solely for use by disabled people.

Parts and accessories

For parts and accessories to benefit from zero-rating, they must be for goods which qualify for zero-rating in their own right. Also, the parts and accessories must have been designed solely for use in connection with those qualifying goods.

Examples of parts and accessories eligible for zero-rating include:

- Foot rest for a wheelchair, because it clearly has no use other than in connection with the wheelchair and so passes the 'designed solely' test; and
- Replacement lever for a chair lift.

Example of parts and accessories not eligible for zero-rating are:

- Standard batteries supplied for use in a mobility scooter; and
- Mobile phone supplied for use in a qualifying vehicle.

Services of installation, adaptation, and repair & maintenance

Installation

Services integral to the installation of equipment or appliances can be zero-rated, but only if they relate to goods which, themselves qualify for zero-rating.

Examples of services qualifying for zero-rating include:

- Plumbing in a sanitary appliance
- Wiring up a qualifying electrically adjustable bed
- Installing a chair lift

Not eligible for relief are the likes of building a structure to "house" an installation.

Adaptation

There is also relief from VAT on the costs involved in adapting VAT-bearing goods to meet the needs of disabled people. Therefore, a supplier can zero-rate adaption services provided:

- The adaptation is clearly of a kind to suit the condition of the disabled person
- The supply is made to a disabled person; and
- An eligibility declaration is provided by the customer.

For example, a disabled person with limited mobility may have a remote controlled device fitted enabling a front door to be opened and closed. This means that the door is adapted to suit the disabled person's condition.

Repair & maintenance

Repair and maintenance of certain goods may be zero-rated, provided the supply is made to a disabled customer and that person completes an eligibility declaration.

Relevant goods include: medical and surgical appliances; adjustable beds designed for disabled people; chair lifts, hoist and lifts; sanitary devices, emergency alarm call systems; specifically designed or adapted motor vehicles; and parts & accessories.

Motor vehicles for disabled people

Motor vehicles 'substantially and permanently adapted' for disabled persons who are normally wheelchair users are eligible for zero-rating. So are vehicles designed or substantially adapted for the transport of a person whilst they're in a wheelchair.

When can I purchase an adapted vehicle VAT free?

Currently, you can purchase a motor vehicle VAT free when ALL the following conditions are met:

- The vehicle is supplied to a disabled person who is normally a wheelchair user
- The vehicle is permanently and substantially adapted
- The adapted vehicle must be for the domestic and personal use of the disabled wheelchair user; and
- The supplier is given an appropriate declaration confirming eligibility.

What are the definitions of a wheelchair and of a wheelchair user?

A wheelchair is a chair on wheels for disabled people, which, is either manually or electrically propelled (NB A mobility scooter is **NOT** a wheelchair for VAT purposes).

A wheelchair user is any disabled person who usually uses a wheelchair in order to be mobile.

A person who occasionally uses a wheelchair, (maybe when visiting the shops or due to a broken leg) doesn't "usually" use a wheelchair and so isn't eligible for relief.

What is an eligible adapted motor vehicle?

A 'qualifying motor vehicle' is capable of carrying no more than 12 people (including the driver). It must be designed or substantially adapted for the use of a disabled person who (a) usually uses a wheelchair or (b) is usually carried on a stretcher. The disabled person must be able to enter and drive, or otherwise be carried, in the vehicle.

Relevant vehicles include cars, multi-passenger vehicles (MPVs), light vans and motorhomes (but **NOT** caravans).

What is meant by permanent and substantial vehicle adaptation?

Permanent adaptations are intended to last indefinitely. They're not things that can be taken off easily or quickly. Generally, such adaptations require bolting or welding.

Substantial adaptations alter vehicles in meaningful ways, enabling wheelchair users to use vehicles that they wouldn't be able to use prior to adaptation.

Adaptations must always be absolutely necessary. They must also be specific to the disabled person's specific needs.

Above all, the changes made to the vehicle must allow a disabled wheelchair user to enter and drive, or enter and travel in, the vehicle. Or they must allow a wheelchair to be carried on or in the vehicle.

Examples of eligible vehicle adaptations

A few examples of qualifying adaptations are:

- Non-standard swivel seats (eg in motorhomes)
- A hoist to lift a wheelchair into or onto a vehicle
- A specialist wheelchair box, fitted to the top or back of a vehicle
- Adaptations that enable a wheelchair user to drive a vehicle, such as push/pull brake, hand controls or other aids to operate primary driving controls.

By way of contrast, these are examples of changes that **DON'T** qualify as adaptations:

- Fitting a standard roof rack or roof box
- Attaching a trailer to the back of a vehicle
- Fitting automatic transmission
- Fitting parking/reversing sensors.

This is because these are general changes. In other words, they're not designed specifically for the disabled.



Importantly, the fact that a vehicle has been adopted doesn't, in itself, always mean that it qualifies for VAT relief.

What about minor adaptations?

If a car only needs minor adaptations, the vehicle itself will NOT be eligible for VAT relief.

However, if you're having goods (including motor vehicles) adapted to suit your particular condition, the supply of this service, together with the goods used in the adaptation, may be zero-rated.

Importantly, this is a wider VAT relief available to all disabled people (not just disabled wheelchair users).

What is meant by domestic or personal vehicle use?

This is normal everyday use by a disabled wheelchair user. This includes going to the shops, taking children to school, and travelling to and from work. It also includes incidental use at work, providing the main use remains as a private vehicle. It doesn't include business use, for example use as a taxi. It also doesn't include buying and selling vehicles for profit.

How many vehicles can I buy VAT free?

In the Autumn Statement 2016, the Government announced that it will be clarifying the application of zero-rating to adapted motor vehicles. The aim will be to stop abuse of relevant legislation whilst continuing to provide help for disabled wheelchair users.

It is understood that these changes may limit VAT relief to one adapted motor vehicle, purchased for the personal use of a disabled wheelchair user, in any three-year period. However, there will still be provision to allow more than one vehicle in exceptional circumstances.

Can anyone other than a disabled wheelchair user purchase an adapted motor vehicle VAT free

Yes. HMRC accepts that in some circumstances a disabled wheelchair user may be unable to purchase and/or drive a motor vehicle themselves – although the sale of the vehicle to a person connected to them (for example, parent, other relative or carer) would directly benefit the disabled wheelchair user's mobility. Provided that the purchase is primarily for the domestic or personal use of the disabled person rather than the personal use of the connected person, zero-rating can be allowed.

HMRC expects suppliers to verify that the vehicle is being purchased for the domestic or personal use of the disabled wheelchair user. If you are purchasing the motor vehicle on behalf of a disabled wheelchair user, you

may be required to provide additional information and evidence to your supplier to demonstrate this, such as:

- Who is paying for the adapted vehicle?
- Who will own the adapted vehicle?
- Who is the registered keeper of the adapted vehicle?
- Does the family member/carer have another vehicle for their use?
- Where will the adapted vehicle be kept?
- Who will use the adapted vehicle?
- What will the adapted vehicle be used for?
- How often will the disabled wheelchair user use the adapted vehicle?

Does the vehicle have to be registered in the disabled person's name?

No. This is because a disabled wheelchair user may not legally be allowed to register a vehicle in their name.

Can i buy a second hand adapted vehicle vat free?

Yes, a second-hand adapted vehicle can be zero-rated if all the previously mentioned conditions apply.

However, you should know that many motor dealerships operate HMRC's Second-Hand Margin Scheme when selling used vehicles.

As the scheme name suggests, this means that the supplier needs only account for VAT on his 'margin'. That's the difference between what the supplier bought the vehicle for and the price made at re-sale.

So, you shouldn't necessarily expect the VAT saving to be directly proportionate to the price you pay.

What about the cost of repair or maintenance of an adapted vehicle?

Repairs and maintenance of adapted motor vehicle can also be zero-rated when:

- The work relates to a vehicle (or the adaptation to a vehicle) that was zero-rated when originally supplied, and
- You provide a valid eligibility declaration to the supplier;

If you take a vehicle to a third-party garage for repairs or maintenance, you'll need to produce the original invoice for the vehicle's purchase or adaptation. This is to prove to the garage that it was originally zero-rated. Your supplier should also retain a copy as evidence for zero-rating his supply to you.

What is the motability scheme?

The Motability Scheme enables disabled people to lease a new car, scooter or powered wheelchair by exchanging their mobility allowance. Those receiving either the Higher Rate Mobility Component of Disability Living Allowance (HRMC DLA), the Enhanced Rate of the Mobility Component of Personal Independence Payment (ERMC PIP), the War Pensioners' Mobility Supplement (WPMS) or the Armed Forces Independence Payment (AFIP) may also be eligible to join the Motability Scheme.

The Motability Scheme is nothing to do with HMRC, but there is nevertheless a special VAT relief for vehicles leased under the scheme.

You can get information about the Motability Scheme at www.motability.co.uk. You can get in touch with Motability by completing an online form, calling their Customer Services Team on **0300 456 4566**, or writing to:

Motability Operations Ltd
City Gate House
22 Southwark Bridge Road
London SE1 9HB

Declaration for zero-rated vat supply of adapted vehicles and services (VAT1615A)

You will need to complete HMRC's form VAT1615A "Declaration for zero-rated VAT supply of adapted vehicles and services".

You'll find an up-to-date copy of this form at the end of HMRC's VAT1615 (About purchasing zero-rated adapted vehicles) guide. This guide can be accessed via www.gov.uk, entering "VAT1615" in the Search box.

When completing the declaration, you need to state your name, address and describe your condition (i.e. the reason you're a wheelchair user).

Don't send a copy of your eligibility declaration to HMRC.

Rather, give it to your supplier. The supplier will keep it safe, as they may be asked to show it to a VAT Officer in the future.

Please note that this scheme works on the basis that you're not charged VAT. Therefore, you shouldn't have to apply for a tax refund, either from your supplier or from HMRC.

Hiring and leasing vehicles

The zero rate applies to the hire of any motor vehicle (of 12 seats or under), provided that all the following conditions are met:

- The hirer is mainly concerned with the provision of motor vehicles to disabled persons who receive the mobility component of Disability Living Allowance or Personal Independence Payment
- The vehicle is unused at the start of the letting period
- The letting is at least three years
- The vehicle is supplied on hire to a disabled person
- The business is paid for the hire wholly or partly by receiving, direct from the Department for Work and Pensions, etc, on behalf of the lessee, specific 'mobility' allowances to which the lessee is entitled.

Getting more information about VAT reliefs for the disabled

HMRC has a dedicated helpline, which you can call for more information about VAT reliefs for the disabled. The telephone number is **0300 123 1073**, which is open from 8.30am to 5pm, Monday to Friday.

Alternatively, you can write to HMRC for information.

The address is:

Charities, Savings and International 2
HM Revenue and Customs BX9 1BU
United Kingdom

(NB No street name, nor PO box, is needed).

Imported goods for disabled people

You can bring certain goods into the UK without paying VAT, as long as they're for domestic or personal use.

Goods you can import without paying VAT

As has been explained earlier in this factsheet, some goods are zero-rated for VAT, so no tax is paid on them. This includes equipment, which has been designed solely by use by disabled people and imported by the disabled person, or their nominated carer, for their domestic or personal use.

Additionally, where goods are not ordinarily zero-rated, HMRC will allow relief from VAT on goods specifically designed for the education, employment or social advancement of disabled people.

Goods you bring into the UK in your baggage

If you bring in goods (for your own personal use) in accompanied baggage, you must declare them at the Customers Red Channel or Red Point when you arrive. You won't need a National Import Reliefs Unit (NIRU form), but you may be asked to fill in a declaration. You'll find a blank version of this declaration at Appendix 2 to this factsheet.

Goods you bring into the UK by other means

In advance of making any importations, you must apply in advance to the National Import Reliefs Unit (NIRU).

Their address is:

National Import Reliefs Unit
HM Revenue and Customs
Abbey House
Head Street
Enniskillen
County Fermanagh
Northern Ireland BT74 7JL

T: 03000 572100

@: niru@hmrc.gsi.gov.uk

NIRU will send you a form to complete and return. Assuming that there's no problem with your completed form, NIRU will send you a certificate that you must use when you make your import declaration. If a third-party is making the import declaration on your behalf, they'll need the certificate.

Goods imported by post

If you're importing goods by post, ask the sender to write the following clearly on the package and its accompanying Customs declaration (i.e. CN22 or CN23):

"GOODS FOR DISABLED PEOPLE: RELIEF CLAIMED"

HMRC may send you a simplified form to complete and return, together with the original NIRU certificate (see "Goods you bring into the UK by other means" sub-section above) and a VAT relief for the disabled declaration.

If the package is not clearly annotated, it may not be delivered until you have paid VAT and duty. You should pay these charges, then write to HMRC at the postal depot where charges were raised. You should explain what happened and enclose the original NIRU certificate, the VAT declaration, and the document showing the charges. If HMRC are satisfied that the goods qualify for relief, they will repay the VAT and duty.

Goods imported as freight

If you import eligible goods as freight, you must claim relief by completing an import declaration on a Single Administrative Document (SAD: Form C88). You can get an import agent to do this, but if you want to complete the SAD yourself and need more information on the details required for the import declaration, please refer to the Trade Tariff (which you can access via www.gov.uk).

Enter one of the following Customs Procedure Codes in box 37 of the SAD:

- 40 00 C24 - for goods specifically designed for use by disabled people (other than blind or partially sighted) and imported by those individuals, or their nominated carers, for the sole use of the disabled person
- 49 00 C24 - for goods specifically designed for use by disabled people (other than blind or partially sighted), and imported from the special territories or countries having a Customs union with the EU, by those individuals, or their nominated carers, for the sole use of the disabled person.

You should also ensure your copy of the NIRU certificate is available for presentation if requested and, if applying for VAT zero-rating, the normal declaration form.

If you cannot produce the necessary supporting documentation, such as the proper certificate issued by NIRU, you must give HMRC financial security (normally a cash deposit or a banker's guarantee) to cover the VAT and any duty before they will release the goods. HMRC will discharge the security later if they are satisfied you qualify for relief.

Disclaimer

This factsheet has been prepared by SIA and contains general advice only which we hope will be of use to you. Nothing in this factsheet should be construed as the giving of specific advice and it should not be relied on as a basis for any decision or action. SIA does not accept any liability arising from its use. We aim to ensure the information is as up-to-date and accurate as possible, but please be warned that certain areas are subject to change from time to time. Please note that the inclusion of named agencies, companies, products, services or publications in this factsheet does not constitute a recommendation or endorsement by SIA.

Revised November 2013

Appendix 1: Eligibility declaration by a disabled person

Part 1 – Supplier To Complete

Note to supplier – The production of this declaration does not automatically justify the zero-rating of your supply. You must ensure that the goods and/or services you are supplying qualify for zero-rating. Please consult HMRC's VAT Notice 701/7 (VAT reliefs for disabled people), before applying VAT relief to your supplies.
You must keep this declaration with your records for production to your VAT officer as required. Please do not return it to your customer, nor send it to HMRC.

I (full name)

Of (company name and address).....

.....

I am supplying the following goods and/or services to the disabled person named overleaf. (Give details of the goods and/or services in the relevant section below)

Goods which are being supplied for the customer's personal use

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Services of adapting goods to suit the needs of the customer

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Services of installation, repair or maintenance

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Alterations to a private residence

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Monitoring a personal alarm call system for the personal use of the disabled person

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Signed: 	Date:
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Part 2 – Customer’s Declaration

You should complete this declaration if you are ‘chronically sick or disabled’ and the goods or services are for your own personal or domestic use. A family member or carer can complete this form on your behalf if you wish.

You can get more advice by telephoning HMRC’s VAT Disabled Reliefs helpline on tel: 0300 123 1073. Please note though that HMRC can’t advise on whether an individual is chronically sick or disabled.

A person is ‘chronically sick or disabled’ if her or she is a person

- with a physical or mental impairment which has a long-term and substantial adverse effect upon his or her ability to carry out everyday activities
- with a condition which the medical profession treats as a chronic sickness.

It does not include an elderly person who is not disabled or chronically sick or any person who is only temporarily disabled or incapacitated, such as with a broken limb.

If you are unsure, you should seek guidance from your GP or other medical professional. Please leave this completed form with your supplier. They will need to keep it with their VAT records. Please do not send it to HMRC.

I (full name)
of (address).....
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declare that I have the following disability or chronic sickness

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I am receiving the goods and/or services detailed overleaf, which are being supplied to me for domestic or personal use and I claim relief from VAT.

Signed: 	Date:
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Appendix 2: Goods you bring into the UK in your baggage: Eligibility declaration by a disabled person

Goods for people with disabilities: importation by an individual, or their nominated carer, in accompanied baggage

I (full name)
of (address).....

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declare that I am importing the following goods for my personal use (description of goods).....

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I claim that this importation is eligible for relief from duty under the provisions of Council Regulation (EC) 1186/2009 as explained in Notice 371, and for this purpose I acknowledge that the articles must not be lent, hired out or transferred whether for payment or free of charge unless I first seek advice from HMRC's Helpline. I understand that duty may be payable on the goods being transferred. I further declare that I am, or the individual that I am the nominated carer of is, recognised by the medical profession as chronically sick or disabled and that this importation is eligible for VAT zero-rating under Group 12 of the Zero Rated Schedule to the VAT Act 1994.

Signed:	Date:
.....
.....

NB Drugs and medicines under Group 12 Item 1 are **not** eligible for VAT zero-rating on import.

If you are in any doubt as to whether you are eligible for VAT zero-rating, you should read VAT Notice 701/7: VAT reliefs for disabled people or seek advice from HMRC's Helpline.

ABOUT SIA



The Spinal Injuries Association (SIA) is the leading national user-led charity for spinal cord injured (SCI) people. Being user led, we are well placed to understand the everyday needs of living with spinal cord injury and are here to meet those needs by providing key services to share information and experiences, and to campaign for change ensuring each person can lead a full and active life. We are here to support you from the moment your spinal cord injury happens, and for the rest of your life.

For more information contact us via the following:

Spinal Injuries Association
SIA House
2 Trueman Place
Oldbrook
Milton Keynes
MK6 2HH

T: 01908 604 191 (Mon – Fri 9am – 5pm)

T: 0800 980 0501 (Freephone Advice Line, Mon – Fri, 11am – 1pm/2pm – 4.30pm)

W: www.spinal.co.uk

@: sia@spinal.co.uk

Charity No: 1054097

Brought to you by:



PLEASE SUPPORT SIA

SIA relies on fundraising, donations and gifts in wills to provide services that help spinal cord injured people rebuild their lives.

With your help, we can provide the right support to spinal cord injured people and their families and friends so they can enjoy a full and independent life after injury. Your donation today will go towards changing someone's life.

I would like to give: £15 ☐ £20 ☐ £53 ☐ other amount £.....

Method of payment

☐ I enclose a cheque/postal order/CAF voucher made payable to Spinal Injuries Association.

☐ I would like to pay by Mastercard/Visa/Maestro/Switch (delete as appropriate)

Card number

Start date

Expiry Date

Security Code

Signature

...../...../.....

Date

Name.....

Address

.....

Postcode Tel no.....

Email address.....

Please gift aid my donation ☐

If you tick the box it means for every £1 you donate we can claim an extra 25p from the taxman, at no extra cost to you. You need to pay an amount of income tax or capital gains tax at least equal to the tax we reclaim from HM Revenue and Customs – currently 25p in every £1 you give.

Please send your donation to: FREEPOST SPINAL INJURIES ASSOCIATION or you can donate online at www.spinal.co.uk

Thank you for your support!