



# VAT Cut: 20% to 5% for Food, Accommodation Attractions for 6 months from 15/7/20

Factsheet – updated 1/2

The cut in VAT will last for 6 months from 15<sup>th</sup> July 2020 running until 12<sup>th</sup> January 2021. VAT will be cut from the current rate of 20% to 5% and will apply to food, accommodation and attractions.

The temporary rate of 5% will apply to supplies relating to:

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

## Hospitality

The supply of food and non-alcoholic beverages for consumption on your premises, for example, a restaurant, café or pub also supplies of hot takeaway food and hot takeaway non-alcoholic drink

## Hotel and holiday accommodation

- supply sleeping accommodation in a hotel or similar establishment
- make certain supplies of holiday accommodation
- charge fees for caravan pitches and associated facilities
- charge fees for tent pitches or camping facilities

## Admission to certain attractions

Charging a fee for admission to certain attractions where the supplies are currently standard rated. This includes:

- shows
- theatres
- circuses
- fairs
- amusement parks
- concerts
- museums
- zoos
- cinemas
- exhibitions
- similar cultural events and facilities

You can contact us on: 01604 678470 / 01933 312950



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Examples of where the reduced rate may apply could be attractions such as:

- a planetarium
- botanical gardens
- studio tours
- factory tours

It does not include any supplies that are exempt.

## **So, what do you need to do?**

1. Ensure your accounting systems and till settings are changed for the new VAT rate. If you are already using cloud software then the hope is that your software may make the changes for you, otherwise you will need to obtain clear guidance about how to make the changes.
2. If you show VAT inclusive prices on, for example, price tags or menus, you will have the choice to leave your prices at their original level and effectively pocket the difference, or you could reduce prices, passing the VAT reduction onto your customers.

As always, please give us a call and we can guide you through the changes.

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