



VAT & The Listed Building for Contractors

Apologies if I am repeating anything that you have heard before, but the overall objective of the LPOC is the provision of information, the sharing of knowledge and providing assistance to fellow members. To that end, it is hoped that all professionals will gain a modicum of information about the intricacies of VAT, which can be applied whenever you are carrying out work on members' properties. It is an unfortunate fact of life that the guidance provided by the VAT Office is sufficiently complex to make many contractors charge VAT, "just to be on the safe side". The end result is that the VAT Office reap a tangible financial benefit, every day, that they don't deserve. Hard earned cash is being paid in VAT by householders - **VAT that simply isn't due.**

I have been working with the LPOC for about ten years, during which time I have been assisting members in getting contractors to apply the correct rate of VAT, or else to refund over-charged VAT, some time after the event. During that time I have lost count of the number of times I have heard the following phrases:

"They won't zero rate the work."

"They won't zero rate it unless I get something from the VAT Office."

"They said there's no benefit to them in zero rating it."

"I didn't even know that there was any VAT relief on listed buildings until now."

What I would like to do, therefore, is to increase the knowledge at the sharp end, with the people who should be applying the relief, where it can legitimately be applied.

I therefore invite you to think about any work that you do on a listed property*, and perhaps give me a call. I should then be able to tell you whether or not VAT should be charged, or not. There is a possibility, of course, that it will take more than a two minute phone call, in which case I will advise you whether it merits taking proper advice, at commercial rates.

*Listed property = house, flat and other property with a residential fee – eg a nursing home or similar. There are other buildings that qualify, principally charity run buildings – but only those with no 'business use'.

VAT relief – a quick summary that applies to the properties mentioned immediately above:

Listed building relief:

- Property must be listed
- Work must require and get listed building consent
- Work must be alteration
- Repairs are not covered
- Supply-only is not covered

Listed and non-listed relief

- Change from commercial use to residential use [5%]
- Change in number [up or down] of dwellings within a property. [5%]
- Empty for more than 2 years [5%]
- Installation of "energy-saving materials" [5%]
- Certain alterations to listed buildings [0%]

In closing, I would also mention that there is an opportunity to go back three years and correct any over-charges that you might have made.

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