

PPE SUPPLIES TO BE VAT-FREE FOR THREE MONTHS

For more information:

Please use this link:

https://www.gov.uk/government/news/treasury-cut-taxes-to-reduce-ppe-costs?utm_source=5e6cb49d-28fc-44d1-82f0-a3b1bbcbb742&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

UKHCA update:

Supplies of PPE are to be zero-rated for three months, following a temporary change announced by HMRC.

From 1 May to 31 July 2020, the supply of PPE, recommended for use in connection with protection from infection with coronavirus in guidance published by Public Health England, will be zero-rated. This applies UK-wide.

The relevant protection from infection guidance is '[Guidance, COVID-19 personal protective equipment \(PPE\)](#)', issued on 24 April 2020 (and subsequently updated on 27 April 2020). This was issued jointly by the Department of Health and Social Care (DHSC), Public Health Wales (PHW), Public Health Agency (PHA) Northern Ireland, Health Protection Scotland (HPS), Public Health England and NHS England as official guidance.

This guidance was re-interpreted for the homecare sector in a resource issued on 27 April 2020, but remains the official guidance on PPE. So, for VAT purposes, UK homecare providers purchasing PPE do so under the official guidance, and qualify for temporary VAT-free purchases.

Colin Angel, UKHCA's Policy Director, said:

"The news that PPE supplies are to be VAT-free for three months during the pandemic is welcome. Homecare providers have found the rapidly rising cost of PPE extremely challenging.

"UKHCA wrote to the Treasury in April asking for the VAT status of social care services to become zero-rated, because homecare providers are unable to reclaim the VAT they pay on goods and services they purchase for their business.

"Government has previously said that a change was not possible because of EU agreements on VAT. However, the EU recently indicated support for temporary VAT reliefs during the pandemic. Although yesterday's measure is only for three months, it has proved that Government is able to make emergency changes while the UK is still tied to EU-VAT rules. That tie will end once the Brexit transition period finishes.

"We will continue to campaign for a permanent change to the VAT status of social care ("welfare services and goods"), as they are described by HMRC, from exempt

to zero-rated, as this would make a significant difference to providers' increasingly unsustainable costs."

[Revenue and Customs Brief 4 \(2020\): temporary VAT zero rating of personal protective equipment \(PPE\), published 30 April 2020](#)

[Policy paper, VAT zero rating for personal protective equipment, published 30 April 2020](#)