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## VAT: reduced rate for hospitality, holiday accommodation and attractions

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If you're a VAT registered business, check if you can temporarily reduce the rate of VAT on supplies relating to hospitality, accommodation, or admission to certain attractions.

The government made an announcement on 8 July 2020 allowing VAT registered businesses to apply a temporary 5% reduced rate of VAT to certain supplies relating to:

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

The temporary reduced rate will apply to supplies that are made between 15 July 2020 and 12 January 2021.

These changes are being brought in as an urgent response to the coronavirus (COVID-19) pandemic to support businesses severely affected by forced closures and social distancing measures.

### Hospitality

If you supply food and non-alcoholic beverages for consumption on your premises, for example, a restaurant, café or pub, you're currently required to charge VAT at the standard rate of 20%. However, when you make these supplies between 15 July 2020 and 12 January 2021 you will only need to charge 5%.

You will also be able to charge the reduced rate of VAT on your supplies of hot takeaway food and hot takeaway non-alcoholic drinks.

More information about how these changes apply to your business can be found in [Catering, takeaway food \(VAT Notice 709/1\)](#).

## **Hotel and holiday accommodation**

You will also benefit from the temporary reduced rate if you:

- 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

More information about how these changes apply to your business can be found in [Hotels and holiday accommodation \(VAT Notice 709/3\)](#).

## **Admission to certain attractions**

If you charge a fee for admission to certain attractions where the supplies are currently standard rated, you will only need to charge the reduced rate of VAT between 15 July 2020 and 12 January 2021.

However, if the fee you charge for admission is currently exempt that will take precedence and your supplies will not qualify for the reduced rate.

More information about how these changes apply to your business can be found in [VAT: Admission charges to attractions](#).

## **The Flat Rate Scheme**

If you are a small business and use the Flat Rate Scheme to simplify your VAT calculations you should be aware that certain percentages have been reduced in line with the introduction of the temporary reduced rate of VAT.

More information can be found in [VAT Flat Rate Scheme](#).

## **The Tour Operators Margin Scheme**

If you are a business that buys in and resells travel, accommodation and certain other services, and you act in your own name, you may operate the Tour Operators Margin Scheme to simplify your calculations.

Further information about how the introduction of the temporary reduced rate of VAT will affect your calculations can be found in [Tour Operators Margin Scheme \(VAT Notice 709/5\)](#).

## **Accounting for supplies that straddle the temporary reduced rate**

In most cases, you will simply account for VAT at 5% for supplies made between 15 July 2020 and 12 January 2021. However, there may be situations where you receive payments or issue invoices before 15 July 2020 for supplies that take place on or after 15 July 2020.

If you have any queries please do not hesitate to contact us or visit our website for further information.

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