

Spring Budget 2023 - VAT Summary

Included in the Spring Budget delivered on 15th March, were a plethora of VAT measures likely to impact businesses across a range of industries this year. Whilst not all changes will be relevant to your sector, we've compiled a snapshot of a few to keep in mind.

Considerations for the healthcare sector.

- **Services supervised by pharmacists** – with effect from 1 May 2023, the government will extend the VAT exemption on healthcare to include medical services carried out by staff directly supervised by registered pharmacists.
- **Expansion of zero rate for prescriptions** – the government will extend the zero rate on prescriptions to medicines supplied through Patient Group Directions.

Environment and construction.

- **Deposit Return Schemes** - the government will legislate to simplify the VAT treatment of deposits charged under a deposit return scheme for drinks containers. With the aim of ensuring that VAT will not be applied to the deposit amount where the container is returned for recycling.
- **DIY Housebuilders** – legislation to digitise the DIY housebuilders' scheme, is underway and the time limit for making claims is being extended from 3 to 6 months.

The Government also intends to consult on the following topics:

- **Review of the VAT treatment of fund management services** – following the consultation on the proposed reform of the VAT rules on fund management services, the government will publish its response to the consultation in the coming months.
- **Review of the VAT treatment of financial services** – work between the government, the Industry Working Group and other industry stakeholders to consider possible reforms to simplify the VAT treatment of financial services, is set to continue.
- **Energy saving materials** – the government is inviting submissions on options to extend the relief for energy saving materials to include additional technologies, and potentially buildings used solely for a relevant charitable purpose.

Finally, the government intends to improve HMRC's capability to manage tax debts and tackle promoters of tax avoidance and fraud. At Monahans our objective is to save clients' money and manage their VAT risk. We offer VAT consultancy services and VAT advice in a range of areas.

To discuss potential risks, solutions, and the impact of any upcoming VAT legislation, contact our [VAT team](#) for support and proactive advice.

T 01793 818300

W monahans.co.uk

in @monahans

🐦 @monahansaccount

