

VAT Agenda

Budget news 2010-03-25

VAT rates

The VAT rates have not as yet changed and remain at 17.5% with the reduced rate at 5%.

Registration Threshold

The registration threshold has increased by £2,000 to £70,000 effective from 01 April 2010. The turnover threshold below which a taxable person can apply to deregister has also increased by £2,000 to £68,000 and becomes effective again on the 01 April 2010.

Postal Services

Whilst private individuals will continue to be able to receive exempt postal services from the Royal Mail certain commercial services provided by the Royal Mail and Parcelforce will become taxable and subject to the standard rate of VAT from 31 January 2011.

Landline Duty

The Finance Bill of 2010 will introduce duty on Landlines (local loops). It will become payable from 01 October 2010 at a rate of 50p per month per landline. Whilst the details are a bit scant at the moment we think it will affect businesses with a number of landlines and could cost these businesses a significant amount of money.

Other changes

There have been changes to Air Passenger Duty rates, Climate Change levy rates and Landfill Tax – Lower Rate Criteria and details of these can be provided if appropriate to any of your clients.

Elysian Associates
March 2010
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