

# VAT Income Liability List

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The following list sets out the VAT liability to be applied to business income generated by NHS bodies from **NON-NHS CUSTOMERS**.

Key:	STD – Standard-rated (20%)	ZR – Zero-rated (0%)	RR – Reduced-rate (5%)	EX – Exempt from VAT	OTS – Outside the scope of VAT (not a business supply)
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Type of Income	VAT Treatment	Type of Income	VAT Treatment
Administrative services (e.g. clerical services, payroll, etc)	STD	Occupational health – post employment medicals and in-service health screening	EX
Advertising (e.g. leaflets in staff payslip envelopes)	STD	Occupational health – pre-employment medicals	STD
Appliances (e.g. artificial limbs, orthotic shoes, wheelchairs, etc)	STD	Occupational health – work place risk assessment	STD
Appliances supplied as part of a package of care or treatment	EX	Occupational therapy sales or services	STD
Appliances supplied to a disabled person who issues a certificate declaring qualifying use	ZR	Patents, licences or other intellectual property	STD
Books, magazines and newspapers	ZR	Photocopying recharges (e.g. for private use)	STD
Car parking fines or clamping fees	OTS	Postal or distribution services	STD
Car parking profit share from third-party operator	STD	Printing of books, leaflets pamphlets	ZR
Car parking receipts from staff/visitors	STD	Printing, copying or supply of any reproductions or of any documents	STD
Catering – cold-food items taken away from restaurant/cafe for consumption elsewhere (e.g. sandwiches, cakes, etc)	ZR	Private patient cosmetic surgery for purposes other than healthcare	STD
Catering – in a restaurant/cafe for staff/visitors including hot take-away food	STD	Private patient healthcare services	EX
Clinical trials or research involving patient treatment	EX	Private patient prescriptions (goods including drugs supplied to private patients on prescription for self administration i.e. taken away)	ZR
Clinical trials or research providing statistical data with no patient treatment	STD	Radiation protection services	STD
Clothing sales – adults	STD	Radio isotopes; recovered silver, sterile water, water products or any goods of a medical or surgical interest	STD
Clothing sales – children	ZR	Rental – accommodation rental (hotel services for relatives of adult patients)	STD
Conference facilities (room only)	EX*	Rental – accommodation rental (hotel services for relatives of child patients)	OTS
Conference facilities (staff, equipment, catering)	STD	Rental – accommodation rental (staff residences)	EX
Contraceptive products	RR	Rental – property rental (e.g. shop units, buildings, including service charges, utilities, etc).	EX*
Creche/nursery	EX	Rental – shop space, foyer for third party newsagent, coffee shop, snack bar, bank, shop, space for telecoms masts, etc	EX*
Drug sales over the counter (pharmacy sales)	STD	Sanitary products	RR
Drug sales to charities (e.g. hospices) – either re-sold or manufactured (where charity issues a certificate for qualifying use)	ZR	Scrap, swill, surplus equipment or other goods	STD
Drug sales to private hospitals, GPs, dentists, veterinary clinics – either re-sold or manufactured	STD	Secondment or supplies of staff, where staff come under the direction and control of the recipient	STD
Drugs dispensed on an NHS prescription	OTS	Shop, stall or trolley supplies (e.g. cold sandwiches, newspapers, magazines)	ZR
Drugs dispensed to patients for personal use on a private prescription	ZR	Shop, stall or trolley supplies (e.g. tea, coffee, confectionery, flowers)	STD
Estates or facilities services (e.g. building maintenance)	STD	Smoking cessation products	RR
Gardening/horticulture (e.g. gardening services, garden centre sales)	STD	Sponsorship income for events, etc.	STD
Healthcare services provided to prisoners under memorandum concession	OTS	Sterile services (e.g. for GPs, private hospitals, etc)	STD
Human blood; human blood products for therapeutic use; human organs	EX	Supplies of nursing staff, where staff come under the direction and control of the recipient	STD*
Incineration services (waste disposal)	STD	Supplies of staff to Local Authorities or other non-NHS public bodies under pooled budget or other statutory arrangements	OTS
Industrial or occupational therapy products (e.g. sale of products manufactured/assembled by patients)	STD	Supplies of staff to Universities under joint working memorandum	OTS
IT services (e.g. network support)	STD	Telephones – call recharges to staff, payphones, recharges to third-party occupants	STD
Laboratory services providing medical testing for treatment purposes (e.g. pathology for private hospitals, etc)	EX	Training, tuition or education; related goods or services	EX
Laundry (e.g. coin operated laundry machines)	STD	Utility recharges (gas, electricity, coal, oil to third party operators metered and billed separately to rent)	STD
Laundry (e.g. contract laundry for local authorities, private hospitals, nursing homes, hotels, etc.)	STD	Utility recharges (staff residences or charities billed separately to the rent)	RR
Lease cars – staff private use	STD	Vending machines (e.g. cash receipts from visitors, third-party profit share, etc)	STD
Mechanical/engineering services (e.g. vehicle repairs)	STD	Waste disposal	STD
Mechanical/engineering services (MOT testing)	OTS	Welfare services	EX
Medical records (additional copies)	STD		
Medical records (statutory supplies to solicitors, etc)	OTS		
Mortuary services – facilities and services for post mortems and storage	STD		
Mortuary services – services of a pathologist ordered by the District Coroner under Section 19 Coroners Act 1998	OTS		
Occupational health – inoculations, etc	EX		

\*Exempt, however standard-rated if option to tax has been exercised. \*Standard-rated, however exempt if nursing staff concession used.

This list is for general purposes and covers most of the common business income areas of NHS bodies but is not intended to be a comprehensive statement of law. If in doubt, please seek our advice. Different VAT treatments may apply to certain sales to overseas customers. No liability is accepted by CRS VAT Consultancy for any omissions or misinterpretations.