

Temporary reduction in the rate of VAT for hospitality, accommodation and admission to attractions

Some purchase card transactions will be affected by a temporary reduction in the rate of VAT from 20% to 5% for supplies of accommodation, eat in and takeaway food and entrance to visitor attractions.

The University Finance System has already been updated so that a new VAT code “PF” is available for these 5% transactions. Please check the VAT rate on the receipt before you apply the tax code and then attach the receipt to the transaction as usual.

The rate reduction will apply to purchases made between 15 July 2020 until 12 January 2021.

The main areas affected are:

Accommodation

The temporary reduced rate applies to accommodation booked for periods between 15 July 2020 until 12 January 2021.

Student accommodation remains exempt from VAT.

Catering

The reduced rate will apply to food and non-alcoholic beverages for consumption in a restaurant, café or pub. It will also apply to hot takeaway food and hot takeaway non-alcoholic drinks

Admission charges

Currently there is limited guidance on this. It is unlikely that this will affect the University at the moment, but examples given by HMRC that could affect the University in future are:

- shows
- theatres
- concerts
- cinemas
- exhibitions
- similar cultural events and facilities

The reduced rate also applies to online live performances, but not pre-recorded ones

Further Assistance

If you need further assistance please contact rt-finance-servicedesk@sussex.ac.uk