



HMRC will take a poor view if you say you are registered for VAT, charge your customers VAT, but are not actually registered. Expect the strong arm of the law to descend on you! This alert sets out the basic options you do have regarding VAT registration.

When you have to register

If you supply services or sell goods that are subject to VAT you will need to register for VAT if your annual turnover exceeds £90,000. You must register if either:

- your total taxable turnover for the last 12 months goes over £90,000 (the VAT threshold); or
- you expect your taxable turnover to go over £90,000 in the next 30 days.

But you can volunteer

If most of your customers are registered for VAT and if a significant part of your costs include a VAT charge, you may want to register for VAT before your turnover reaches the £90,000 threshold. The good news is you can...

What qualifies as turnover for VAT purposes?

Turnover for VAT purposes includes:

- zero-rated goods
- reduced-rated goods
- standard-rated goods
- goods you hired or loaned to customers
- business goods used for personal reasons
- goods you bartered, part-exchanged or gave as gifts
- services you received from businesses in other countries that you had to 'reverse charge'
- goods and services which are subject to the 'domestic reverse charge'
- building work over £100,000 your business did for itself

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What if you are late registering?

If you register late, you must pay VAT on any sales you have made since the date you should have registered.

Temporary increases in turnover

You can apply for a registration 'exception' if your taxable turnover goes over the threshold temporarily. Contact HMRC to request the VAT1 registration form. You will need to provide evidence showing why you believe your taxable turnover will not go over the deregistration threshold of £88,000 in the next 12 months.

HMRC will consider your exception and write to confirm if you get one. If not, they will register you for VAT.

We can help

If you are unsure if you should register for VAT please call so we can consider your options. Choosing the right course of action will not only satisfy the VAT regulations, but it may also affect your profits and cash flow. Call us on **01753 888 211** or email **info@nhllp.com** we would be happy to help.