HMRC - IPT04820 - Motability Contract-Hire Schemes: Purpose Of This Exemption

This is a very specific exemption for certain narrowly defined transactions affecting people with disabilities and covers motor vehicles supplied under the Motability contract-hire scheme. For the purposes of the exemption, the term motor vehicle also includes motorised wheelchairs and scooters.

The IPT exemption mirrors the general relief available in VAT. Vehicles supplied under the Motability Contract-hire Scheme, qualify for zero rating under the VAT Act 94, Schedule 8, Group 12, item 14.

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