HMRC - VATSC05236 - Single-Use Carrier Bags: Compulsory Charge In England

A charge must be applied to single-use carrier bags provided with goods supplied in or to England by suppliers with more than 250 full-time equivalent employees.

The legislation took effect from 5 October 2015.

Whether a VAT registered supplier comes within the scope of the compulsory charge or not, (some may choose to make a charge even though they have less than 250 full-time staff) any amount charged for a bag is tax inclusive at the standard rate of VAT. For example, where a VAT registered business charges 5 pence, the taxable amount will be 4.17 pence and the VAT is 0.83 pence.

Suppliers using a retail scheme should ensure that VAT is properly accounted for through their scheme.

Previous page

Next page