HMRC - VATSC05240 - Single-Use Carrier Bags: Compulsory Charge In Scotland

The Scottish Parliament introduced a compulsory charge on single-use carrier bags set at a minimum of 5 pence. This charge will apply on single-use carrier bags supplied with goods, supplied in or delivered from Scotland. The legislation took effect from 20 October 2014.

Where suppliers are liable to charge VAT, the amount they charge for a bag is tax inclusive at the standard rate of VAT. For a VAT registered business charging 5 pence, the taxable amount will be 4.17 pence and the VAT 0.83 pence.

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

Non-VAT registered suppliers must still charge the same minimum amount of 5 pence.

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