HMRC - VATSC05242 - Single-Use Carrier Bags: Compulsory Charge In Wales

From 1 October 2011 a compulsory charge (initially set at a minimum of 5 pence) applies to single-use carrier bags which retailers must charge to their customers.

Retailers outside Wales who deliver goods to customers in Wales using single-use carrier bags must make the charge also.

In order that customers pay the same amount regardless of the VAT status of the business, the stated minimum charge (initially 5 pence) is the minimum total to be charged by non-VAT registered businesses.

The charge is consideration for the bag and is taxable at the standard rate of VAT. The minimum charge is deemed to include VAT when charged by a VAT registered business i.e. a VAT registered business would charge 4.17p plus VAT.

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