HMRC - VATSC23200 - Competition Prizes (Including Motor Cars)

Competition prizes are usually business gifts. Prizes may be of goods, services or money. These are not gifts where something which forms consideration is provided in return for the prize.

When a new car is acquired by a taxable person with a view to its being given away as a prize, the donor may treat the VAT incurred on the car as input tax, as long as the car is not made available for private use prior to being given away. Subject to the normal business gift rules, output tax will then be due when the car is given away.

Previous page

Next page