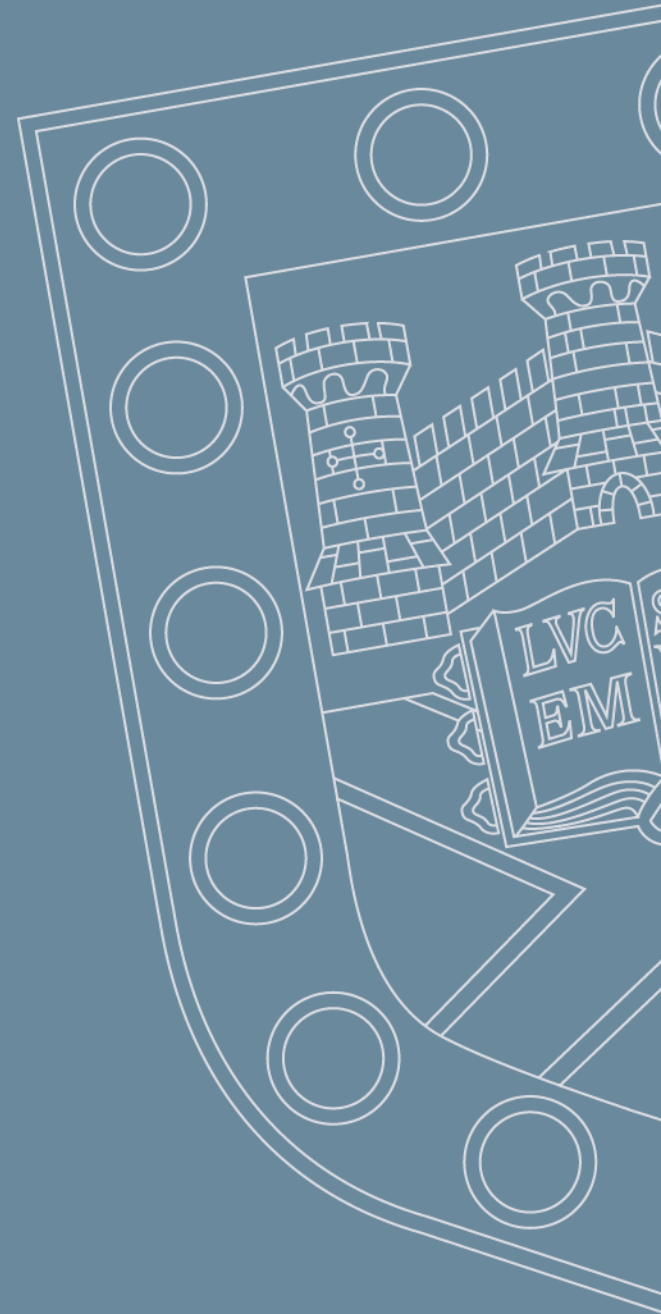




# VAT and Medical Zero Rating

31 January 2019

**Roger Bennett / Liz Shillingford**  
**University Tax Manager**



# Medical/Veterinary VAT Zero Rating

- No Blanket Exemption
- The Three Tests
  - Charity/Funding
  - Qualifying use
  - Qualifying goods
- Onus on Supplier
- Also covered by exemption
  - Parts and accessories
  - Hire of goods
  - Repair and maintenance
  - Some computer software
  - Some drugs and chemicals



# VAT on Expenditure: medical/veterinary exemption

Medical/Veterinary  
Equipment

Scientific  
Equipment

Laboratory  
Equipment

Sterilising  
Equipment

Refrigeration  
Equipment

Video Equipment

Computer  
Equipment

Computer  
Software

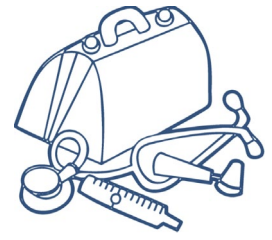
Remember:

Substances must be used *directly* in medical research

Software must be *solely* used in medical or veterinary research, diagnosis  
or treatment, NOT training



# Definitions



- **Medical Equipment**
  - Has features or characteristics that identify it as having been designed for a medical purpose or function, such as diagnosis or treatment of patients
- **Scientific Equipment**
  - Designed to perform a scientific function, including precision measuring equipment and analytical equipment
- **Laboratory Equipment**
  - Designed for use in a laboratory, eg Bunsen burners, laboratory benches, glassware, microscopes
- **Sterilising Equipment**
  - Equipment using steam or other high temperature processes, autoclaves, bedpan washers, sterilisers
- **Refrigeration Equipment**
  - All cooling and freezing equipment whether designed for industrial or domestic purpose
- **Video Equipment**
  - Video recording and playback equipment
- **Computer Equipment**
  - Computer hardware – eligible equipment includes keyboards, mice, printers, screen
- **Computer Software**
  - Must be solely used in medical/veterinary research, diagnosis or treatment



# Medical/Veterinary VAT Relief: Recap

For use in medical or veterinary research, diagnosis, treatment or training

Maintenance and repair of the goods are covered

Purchased by an eligible body with charitable funds

Medical, scientific, computer, video, sterilising, refrigeration or laboratory equipment; OR parts and accessories of those

Must not be purchased for RESALE

Installation is covered if included in normal selling price



# Need Assistance or Advice

- **Taxation Section – Northcote House**
  - [Liz.Shillingford@Exeter.ac.uk](mailto:Liz.Shillingford@Exeter.ac.uk)
  - Liz Shillingford (Tax Accountant ) ext 3098
  - **Roger Bennett** (University Tax Manager) ext 5438  
[r.w.bennett@exeter.ac.uk](mailto:r.w.bennett@exeter.ac.uk)
- **University Tax Website**
- <http://www.exeter.ac.uk/finance/operations/vat/>
- **HMRC website helpful for detailed VAT rules - use search or look under ‘charities’ or ‘education’ section**
  - <http://www.hmrc.gov.uk/>

