

'Opt to Tax' on Parish Hall – Paper

Opt to tax is when a business/council opts to charge VAT on supplies so that they can then claim the VAT back on all purchases on that specific building or land. Due to the Hub being rebuilt the reclaiming of the VAT is very important to the cost of the rebuild. The RFO has contacted HMRC to ascertain whether previous administrations had 'opted to tax' on the Parish Hall. This was done because after looking through past minutes the RFO believed this was not the case and so contacted HMRC. HMRC have replied saying they have no records of the Parish Hall having been opted to tax.

The RFO contacted the NALC representative and the SLCC representative who are both accountancy firms for advice on this situation. The SLCC representative agreed the council needed to opt to tax on the Parish Hall.

The reason to 'opt to tax' on the Parish Hall enables the Council to claim back all of the VAT on the rebuild of the Hub. Even though the Council are Vat registered room hire is exempt from VAT so the Council will have to apply for 'Opt to Tax'.

LAVAT Consulting Ltd (SLCC representative) will ensure the correct procedure of 'opting to tax' with HMRC is followed at a cost of £750.00 + VAT as agreed at the Finance Meeting on 23rd May 2024.

Please note that once an 'opt to tax' has been submitted then all supplies at the Parish Hall after the date stated on the resolution will have to have VAT applied to the invoices. This means that all hall hire/office hire at the parish Hall will have VAT added to the hire charge. 'Opt to tax' can be reviewed after 20 years.