

Guidance note

from the Church Buildings Office
2016

Following changes to the Listed Places of Worship Grant Scheme on 1 October 2012, VAT on both repairs and alterations to listed church buildings **is payable**.

The new VAT rules mean that alterations to listed buildings can no longer be zero-rated, but will attract VAT at the standard rate. The changes to the Listed Places of Worship Grant Scheme have however extended the scope of the scheme to include alterations to listed places of worship in addition to repair/conservation works, which have always been central to the scheme.

This means that until April 2020 grants to cover 100% of VAT paid on both repairs and alterations made to the fabric of listed churches can be applied for. For full details contact the Listed Places of Worship Grants Scheme: www.lpwscheme.org.uk or 0845 013 6601.

Churches which are not listed have to pay the full rate of VAT, as was the case before October 2012. The scheme also only applies to the place of worship itself, so VAT is payable on works to churchyard walls, church halls etc.

Although the zero-rating for alterations has been removed, certain works (such as those relating to improvements for disabled facilities) may still be able to be zero-rated, whether the building is listed or not. In addition, works such as those to improve energy efficiency may attract a lower rate of VAT.

It will be the responsibility of the contractor to determine the VAT liability of the work he undertakes and, if he is in doubt in specific areas, he should contact HRMC for advice. PCCs can also use the number below should they wish to obtain further general advice about this matter.

HM REVENUE AND CUSTOMS

www.hmrc.gov.uk 0845 010 9000 (National Advice Line for general queries about VAT)

This advice and information is given in good faith and is based on our understanding of the current law. The DAC cannot accept any responsibility whatsoever for any errors or omissions which may result in injury, loss or damage including consequential or further loss. It is the responsibility of the PCC to ensure that it complies with its statutory obligations.