

VAT Facts



VAT first introduced to the UK



In 1973 a pint of beer cost 20 pence



Average EU VAT threshold is £20,000



£85,000 UK VAT threshold (highest in Europe & OECD)



Third largest source of UK tax revenue



£120bn of VAT collected in 2016/17



44% of businesses registered for VAT are voluntarily registered

55%

of UK businesses are not registered for VAT or PAYE



5 OECD principles for a good VAT system

- Neutrality
- Efficiency
- Simplicity/Certainty
- Effectiveness/Fairness
- Flexibility



OTS VAT report

80 organisations provided evidence
23 recommendations made