

VAT Exemption Explained

Information in this article is based on the Value Added Tax Act 1994.
The current UK VAT rate is 15%.

VAT is charged on everything with the following exceptions: -

- Book and Insurance sales.
- We do not charge VAT to customers whom we invoice and ship to outside the European Union.
- VAT-registered organisations in other European Union countries should give us their EU-VAT number, so that we do not need to charge VAT.
- **Individuals with disabilities, who are buying products that have been designed solely for people with disabilities, for their own personal or domestic use, can claim VAT relief.**
- **Charities who are buying products designed for disabled people can, in certain circumstances, also claim VAT relief.**
- Charities can sometimes buy diagnostic products with VAT relief.

Dyslexia, for VAT purposes, can be a disability if it "has a substantial long-term adverse effect on ability to carry out normal day-to-day activities". This includes reading, writing, remembering and studying.

But VAT relief does not apply to products which are designed for ordinary use and happen to be used by someone with a disability, and so does not apply (for example) to word processing software, even when configured for use by people with disabilities.

It does apply to a number of products, for example textHELP Read & Write, which were designed for dyslexic people, and parts of the hardware on which they run. But we must charge VAT even for these products, when we sell them to someone who has no acknowledged disability.

The VAT relief belongs to the disabled individual (or parent acting on their behalf). However, you can get VAT relief if you are a student claiming DSA (Disabled Student's Allowance) even if your funding body pays us directly: we invoice you, but send the invoice to the funding body, for payment by them.

You can claim VAT relief if you are an individual with a disability (including dyslexia as above) and are buying a product that has been designed solely for people with disabilities and it is for your personal or domestic use.