

Clause 1: VAT refunds to S4C

Summary

1. This clause amends the VAT refund scheme in section 33(3) of the Value Added Tax Act 1994 (VATA) to include S4C (the Welsh language broadcaster) as an eligible body. This will allow S4C to recover the VAT paid on purchases used to support its non-business activity of free to air public service broadcasting. The clause gives S4C parity of treatment with the public service broadcasters already included in section 33(3) of VATA.

Details of the clause

2. Subsection 1 inserts new paragraph (ia) into section 33(3) of VATA. New paragraph (ia) provides that section 33(3) applies to S4C.
3. Subsection 2 provides that the amendments made by the clause have effect from 1 April 2021.

Background note

- 4 Section 33 refunds to named bodies the VAT they have incurred on purchases, acquisitions and importations made to support their non-business activities. Among the bodies eligible to claim refunds of VAT are the BBC and the appointed news provider. In order to provide equity of treatment, S4C is being added to the list of named bodies as, in common with the BBC, it is funded from the licence fee.
- 5 If you have any questions about this change, or comments on the legislation, please contact David Webb (email: david.webb@hmrc.gov.uk).