



HM Revenue
& Customs

Draft Legislation: The Value Added Tax (Refund of Tax to Museums and Galleries) (Amendment) Order 2020

Consultation

Publication date: 18 August 2020

Closing date for comments: 15 September 2020

Subject of this consultation: This consultation sets out draft legislation for The Value Added Tax (Refund of Tax to Museums and Galleries) (Amendment) Order 2020. It lists additions and changes to the list of museums and galleries that are allowed to reclaim VAT

Scope of this consultation: This reflects the Government's Tax Consultation Framework commitment to publish draft tax legislation for comment. This consultation gives an opportunity for those museums and galleries affected to check that the proposed changes and additions are correct. This is not an opportunity for bodies that are not on the list to be added.

Who should read this: If the proposed details are incorrect, we would like to hear from the museums and galleries that are affected by the Order.

Duration: This Consultation will run from 18 August 2020 to 15 September 2020

Lead official: HMRC: Alec Tasker

How to respond or enquire about this consultation: Alec.tasker@hmrc.gov.uk

Additional ways to be involved:

After the consultation: After this consultation period, the legislation will be laid before Parliament.

Getting to this stage:

Previous engagement:

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1. Introduction

This consultation document reproduces (at Annex A) the proposed draft legislation that will make routine amendments to the Value Added Tax (Refund of Tax to Museums and Galleries) Order.

It is a Government objective to encourage access to the main museums and galleries. Admitting the public free of charge is not a business activity that would entitle a body to recover input VAT. To support institutions which allow free access there is a special VAT refund scheme for named museum and gallery institutions.

The scheme refunds VAT incurred in relation to the collections themselves, the buildings in which they are displayed, and their storage and restoration.

The Order is the list of those museums and galleries that have been accepted as eligible for the scheme. This legislation makes routine amendments to the order.

These fall into three categories

- Introduces six new institutions that the Department for Digital, Culture, Media and Sport wish to add;
- Adds details of four new premises for institutions that are already on the list;
- Removes premises which are no longer eligible for the scheme.

This consultation gives an opportunity for those museums and galleries on the list to check that the proposed alterations to their details are correct. This is **NOT** an invitation for institutions to be **added** at this stage – such representations should be forwarded to DCMS for future consideration.

2. Tax Information and Impact Note (Draft)

Amendments to the VAT Refund Scheme for Museums and Galleries [2020 No. XXXX]

Who is likely to be affected?

Those museums and galleries added to the list of bodies entitled to benefit from the VAT refund scheme.

General description of the measure

This Statutory Instrument adds further museums and galleries that allow free public admission to the VAT refund scheme.

Policy objective

The Government is committed to free public admission to the main museums and galleries, and the VAT refund scheme supports this policy.

Background to the measure

Under the normal rules, a business can only reclaim VAT on the goods and services it purchases, which are used to make an onward taxable supply. A museum or gallery that does not charge for entry is not making taxable supplies and therefore is not able to recover the VAT it incurs.

The refund scheme is set out in Section 33A of the VAT Act 1994. It was introduced to ensure that what would otherwise be irrecoverable VAT does not deter a body from allowing free admission. It refunds VAT paid on purchases made to support free rights of admission to a museum or gallery. The list of qualifying bodies is set out in the Schedule to SI 2001/2879, and the Treasury has the power to add bodies to the list or remove them from it.

The bodies and relevant museums to be added meet the conditions to be included in the scheme. Nine of these will be able to reclaim VAT with effect from 17 November 2020 with the Wilson Art Gallery & Museum having an individual date as listed in the Statutory Instrument.

1. Detailed proposal

Operative date

It is intended that this Statutory Instrument will come into effect on 17 November 2020 subject to negative resolution.

Current law

Section 33A of the VAT Act 1994 refunds VAT paid by museums and galleries on purchases made in connection with free rights of admission to the public. Under Section 33A (9), the Treasury may by Order specify the bodies to which refunds are made, and the date from which claims can be made. There is a single list of bodies in the Schedule of SI 2001/2879 and consequently amendments are made to the Schedule.

Proposed revisions

The Schedule to SI 2001/2879 will be amended to reflect the additions and changes already referred to.

Summary of impacts

Exchequer impact (£m)

2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
-5	-20	-20	-15	-5	-5

This measure is expected to decrease receipts by approximately £70 million over the scorecard period. This is an indicative estimate and is likely to change. The measure supports the Exchequer in its commitment to free public admission to the main museums and galleries and to ensure that the list of bodies entitled to benefit from the VAT refund scheme is kept up to date.

Economic impact

This measure is not expected to have any significant macroeconomic impacts.

Impact on individuals, households and families

Adding further museums and galleries to the VAT refund scheme for museums will increase support for free public access to collections.

Equalities impacts

This measure should not have an impact on any of those groups sharing protected characteristics.

Impact on business including civil society organisations

This measure is expected to have a negligible impact on businesses and civil society organisations.

Six institutions which are newly admitted to the scheme will benefit from this measure as they can now apply for VAT refunds. One off costs include familiarisation with the rules. Continuing costs include applying for VAT refunds. The administrative burden associated with the additional institutions applying for VAT refunds is expected to be negligible.

Operational impact (£m) (HMRC or other)

There are no financial consequences for HMRC.

Other impacts

There are no other impacts expected.

Monitoring and evaluation

This policy will be kept under review through communication with taxpayer groups affected by the measure.

Further advice

If you have any questions about this change, please contact Alec Tasker on 03000 586047 (email: alec.tasker@hmrc.gov.uk).

Declaration

The Rt Hon Jesse Norman MP, Financial Secretary to the Treasury, has read this tax information and impact note and is satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impacts of the measure.

3. Summary of Consultation Questions

1. If the proposed details in the draft legislation are incorrect, we would like to hear from the museums and galleries that are affected by the Order.

4. The Consultation Process

This consultation is being conducted in line with the Tax Consultation Framework. There are 5 stages to tax policy development:

- Stage 1 Setting out objectives and identifying options.
- Stage 2 Determining the best option and developing a framework for implementation including detailed policy design.
- Stage 3 Drafting legislation to effect the proposed change.
- Stage 4 Implementing and monitoring the change.
- Stage 5 Reviewing and evaluating the change.

This consultation is taking place during stage 3 of the process. The purpose of the consultation is to give an opportunity for those museums and galleries affected to check that the proposed changes and additions are correct.

How to respond

Responses should be sent by 14 September 2020, by e-mail to alec.tasker@hmrc.gov.uk

Telephone enquiries: 03000 586047

Please do not send consultation responses to the Consultation Coordinator.

Paper copies of this document or copies in Welsh and alternative formats (large print, audio and Braille) may be obtained free of charge from the above address. This document can also be accessed from [HMRC's GOV.UK pages](#). All responses will be acknowledged, but it will not be possible to give substantive replies to individual representations.

When responding please say if you are a business, individual or representative body. In the case of representative bodies please provide information on the number and nature of people you represent.

Confidentiality

Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes. These are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 2018, General Data Protection Regulation (GDPR) and the Environmental Information Regulations 2004.

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals with, amongst other things, obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure

of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on HM Revenue and Customs.

Consultation Privacy Notice

This notice sets out how we will use your personal data, and your rights. It is made under Articles 13 and/or 14 of the General Data Protection Regulation.

Your Data

The data

We will process the following personal data (*delete/add as appropriate*):

Name

Email address

Postal address

Phone number

Job title

Purpose

The purpose(s) for which we are processing your personal data is: *Draft Legislation: the Value Added Tax (Refund of Tax to Museums and Galleries) (Amendment) Order 2020*

Legal basis of processing

The legal basis for processing your personal data is that the processing is necessary for the exercise of a function of a government department.

Recipients

Your personal data will be shared by us with *H.M. Treasury and Department for Digital, Culture, Media & Sport*.

Retention

Your personal data will be kept by us for six years and will then be deleted.

Your Rights

- You have the right to request information about how your personal data are processed, and to request a copy of that personal data.
- You have the right to request that any inaccuracies in your personal data are rectified without delay.
- You have the right to request that any incomplete personal data are completed, including by means of a supplementary statement.
- You have the right to request that your personal data are erased if there is no longer a justification for them to be processed.

- You have the right in certain circumstances (for example, where accuracy is contested) to request that the processing of your personal data is restricted.

Complaints

If you consider that your personal data has been misused or mishandled, you may make a complaint to the Information Commissioner, who is an independent regulator. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF
0303 123 1113
casework@ico.org.uk

Any complaint to the Information Commissioner is without prejudice to your right to seek redress through the courts.

Contact details

The data controller for your personal data is HM Revenue and Customs. The contact details for the data controller are:

HMRC
100 Parliament Street
Westminster
London SW1A 2BQ

The contact details for HMRC's Data Protection Officer are:

The Data Protection Officer
HM Revenue and Customs
7th Floor, 10 South Colonnade
Canary Wharf, London E14 4PU
advice.dpa@hmrc.gsi.gov.uk

Consultation Principles

This call for evidence is being run in accordance with the government's Consultation Principles.

The Consultation Principles are available on the Cabinet Office website:
<http://www.cabinetoffice.gov.uk/resource-library/consultation-principles-guidance>

If you have any comments or complaints about the consultation process please contact:

John Pay, Consultation Coordinator, Budget Team, HM Revenue and Customs, 100 Parliament Street, London, SW1A 2BQ.

Please do not send responses to the consultation to this address.

Annex A: Relevant Draft Government Legislation

STATUTORY INSTRUMENTS

2020 No. ***

VALUE ADDED TAX

The Value Added Tax (Refund of Tax to Museums and Galleries) (Amendment) Order 2020

Made - - - - - ***

Laid before the House of Commons ***

Coming into force - - - - - 17th November 2020

The Treasury make this Order in exercise of the powers conferred by section 33A(9) of the Value Added Tax Act 1994(1).

Citation and commencement

This Order may be cited as the Value Added Tax (Refund of Tax to Museums and Galleries) (Amendment) Order 2020 and comes into force on 17th November 2020.

Amendments to the Value Added Tax (Refund of Tax to Museums and Galleries) Order 2001

The Schedule to the Value Added Tax (Refund of Tax to Museums and Galleries) Order 2001(2) is amended as follows.

Insertion of new relevant museums and galleries

—(1) In column 2, opposite the entry for Museum of London in column 1, below the text “Museum of London West India Quay Canary Wharf London E14 4AL”, insert—

“Museum of London

Site bound by Charterhouse Street

East Poultry Avenue

(1) 1994 c. 23. Section 33A was inserted by section 98 of the Finance Act 2001 (c. 9) and amended by paragraph 33 of Schedule 39 to the Finance Act 2008 (c. 9).

(2) S.I. 2001/2879, amended by S.I. 2004/1709, 2005/1993, 2008/1339, 2010/608, 2012/2731, 2014/2858, 2016/235 and 2017/905.

Smithfield Street
Snowhill
Farringdon
London EC1”.

In column 3, opposite the entry for Museum of London Site bound by Charterhouse Street in column 2 inserted by article 3(1), insert “17th November 2020”.

—(2) In column 2, opposite the entry for Victoria and Albert Museum in column 1, below the text “Victoria and Albert Museum Blythe House 23 Blythe Road Hammersmith London W14 0QX”, insert—

“V&A East
Waterfront
Carpenters Road
London E15 2DU

V&A East
Collections and Research Centre
Here East
Queen Elizabeth Olympic Park
London E20 3BS”.

In column 3, opposite the entry for V&A East Waterfront in column 2 inserted by article 4(1), insert “17th November 2020”.

In column 3, opposite the entry for V&A East Collections and Research Centre in column 2 inserted by article 4(1), insert “17th November 2020”.

—(3) In column 2, opposite the entry for University of Cambridge in column 1, below the text “Kettle’s Yard Castle Street Cambridge CB3 0AQ”, insert—

“The Polar Museum
Scott Polar Research Institute
Lensfield Road
Cambridge CB2 1ER”.

In column 3, opposite the entry for The Polar Museum in column 2 inserted by article 5(1), insert “17th November 2020”.

Insertion of new bodies

At the end of the Schedule, below the entry for Yorkshire Sculpture Park, insert—

“Congleton Museum	Market Square Congleton Cheshire CW12 1ET	17th November 2020
The Museum of Military Medicine	Keogh Barracks Ash Vale Aldershot Hampshire GU12 5RQ	17th November 2020
National War Museum of Scotland	National War Museum Edinburgh Castle Edinburgh EH1 2NG	17th November 2020
The Royal Scots (The Royal Regiment) Regimental Museum	Edinburgh Castle Edinburgh EH1 2YT	17th November 2020
Wellcome Collection	Wellcome Collection	17th November 2020

	183 Euston Road London NW1 2BE	
The Wilson Art Gallery & Museum	Clarence Street Cheltenham GL50 3JT	17th November 2017”

Amendment to postcode

In column 2, opposite the entry for Museum of London in column 1, after the text “Museum of London London Wall London”, for “EC2Y 5NH” substitute “EC2Y 5HN”.

Omission of relevant museums and galleries

- (4) In column 2, opposite the entry for National Museums and Galleries on Merseyside in column 1, omit—
“Collections Management Division/Development Office
National Museums Liverpool Midland Railway Building
1 Peter Street
Liverpool L1 6BL”.

In column 3, opposite the entry for Collections Management Division/Development Office in column 2 omitted by article 8(1), omit “1st December 2001”.

- (5) In column 2, opposite the entry for Museum of London in column 1, omit—
“Museum of London
Archaeological Service
Mortimer Wheeler House
46 Eagle Wharf Road
London N1”.

In column 3, opposite the entry for Museum of London Archaeological Service in column 2 omitted by article 9(1), omit “1st March 2002”.

- In column 2, opposite the entry for The National Museum of Wales in column 1, omit—
“Segontium Roman Fort Museum
Beddgelert Road
Caernarfon
Gwynedd LL55 2LN”.

- (6) In column 2, opposite the entry for University of Manchester in column 1, omit—
“The John Rylands Library
150 Deansgate
Manchester M3 3EH”.

In column 3, opposite the entry for The John Rylands Library in column 2 omitted by article 11(1), omit “1 August 2004”.

- (7) In column 2, opposite the entry for University of St Andrews in column 1, omit—
“Gateway Galleries
North Haugh
St Andrews KY16 9ST”.

In column 3, opposite the entry for Gateway Galleries in column 2 omitted by article 12(1), omit “1st April 2006”.

Omission of bodies

- (8) In column 1, omit the entries for the following bodies—

Keele University;
London Metropolitan University;
Queen’s University, Belfast;
University College Chichester;
University of Kent;
University of Northumbria at Newcastle;
National Football Museum;
University of Bath;
University of Leicester;
London School of Economics and Political Science;
Pittencrieff House Museum.

In column 2, opposite each of the bodies omitted by article 13(1), omit the entries for that body’s relevant museums and galleries.

In column 3, opposite each of the relevant museums and galleries omitted by article 13(2), omit the date.

	<i>Name 1</i>
	<i>Name 2</i>
Date	Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into force on 17th November 2020, amends the Value Added Tax (Refund of Tax to Museums and Galleries) Order 2001 (S.I. 2001/2879) (“the 2001 Order”). The 2001 Order specifies the bodies that are entitled under section 33A of the Value Added Tax Act 1994 (c. 23) (“the Act”) to claim a refund of the VAT incurred by them that is attributable to the provision of free admission to specified museums and galleries which they operate.

This Order amends the Schedule to the 2001 Order (“the 2001 Schedule”) by inserting four additional specified museums in respect of three bodies already contained in the 2001 Schedule. One is inserted under the entry for Museum of London, two under the entry for Victoria and Albert Museum and one under the entry for University of Cambridge. This Order also inserts six new bodies and their respective specified museums. This Order also amends the postcode for a specified museum of Museum of London. This Order also omits five specified museums and omits 11 bodies and their respective specified museums (12 museums in total).

The 2001 Schedule specifies dates which are the earliest respective dates that a supply can have been made, or an acquisition or importation can have taken place, for the VAT on that supply, acquisition, or importation to be the subject of a valid claim for a refund. The specified date for The Wilson Art Gallery and Museum is prior to the date on which this Order comes into force. This means that claims for refunds relating to this entry will be permitted in respect of VAT incurred before the date on which this Order comes into force. The authority for this is in section 33A(1)(c) and (9)(d) of the Act.

A Tax Information and Impact Note covering this instrument will be published on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.