



The  
United  
Reformed  
Church

# Help and Advice Group

Northern Synod Office, 4 College Lane, Newcastle upon Tyne NE1 8JJ (0191-232 1168)

## Bulletin 12: ENERGY DISCOUNTS

The Help & Advice Group was set up by Synod in 2009, to support local churches in being informed and effective in their life and mission. The Group is made up of four members of local churches, together with administrative support from the Trust Officer. We are willing to try to provide specific advice or organise training days on particular topics. Please get in touch if you have questions or wish to suggest a training or discussion event.

This article is part of a series giving an overview of particular subjects of interest for local churches. We also circulate general updates from time to time. Bulletins will also be posted on the members' area of the website with direct links to other websites.

Where readers are directed to web-based resources, the Synod Office is willing to respond to reasonable requests for printed out information for readers without web access, although they may find it more satisfactory to follow up their interest through their local library's web access.

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### Reduced Rate of VAT for Energy Supplies

The Churches' Legislation Advisory Service has reminded churches that as charities they can get a reduced rate of VAT on fuel and power supplied to them for non-business use, as well as certain related services such as maintenance and repairs. Churches are also exempt from the Climate Change Levy, so should check they are not being charged for it.

If the church has a mix of business and non-business activities, it must provide the supplier with a certificate that declares what percentage of the fuel and power supplied is put to non-business use. However, if 60 per cent or more of the fuel or power is for *non-business* activities the charity will qualify for reduced rate VAT on the whole supply.

The crucial point is that the supplier will **not** apply the 5 per cent rate automatically: **charities have to send a certificate, including their charity number, to their energy supplier to claim the reduced rate.** As most churches are too small to be registered charities, you would need instead to state that you have charitable status, but are currently exempted from registration with the Charity Commission.

HM Revenue and Customs confirms that it is possible to make a retrospective claim for up to four years where the charity has failed, incorrectly, to claim the reduced rate.

Further details are given on HMRC's website:

[www.hmrc.gov.uk/charities/vat/supplies.htm#2](http://www.hmrc.gov.uk/charities/vat/supplies.htm#2)

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