Printed Matter and Books

**Basics:**

Supplies of the following are the most common items zero rated for VAT;

* Books and Booklets
* Brochures and Pamphlets
* Leaflets
* Newspapers
* Journals and Periodicals
* Children’s Picture Books and Painting Books
* Music (Printed , Duplicated or Manuscript)
* Maps and Charts
* Covers, cases and other articles supplied and charged together with the above

VAT Notice 701/10 includes a comprehensive list of items which are Standard rated and Zero rated. This is included at the end of this sheet. Please note this is only guidance should an item not be listed as Standard rated this does not automatically mean it can be zero rated.

The Zero rating of books is part of social policy to alleviate the VAT burden on such items.

The VAT legislation does not provide definitions of the items listed but should be interpreted following their every day and ordinary use. This means they are restricted to goods printed on paper or similar material. If they are in any other format such as CD Rom, Microfiche or E-book then they are Standard rated.

**Specific Areas: Zero Rating**

**Books/Booklets**

A book/booklet will consist of text or illustration and be bound in a cover stiffer than the pages.

The zero rating will not apply to;

* Parts of books
* Books of plans/drawings for architectural, industrial or commercial purposes
* Picture card/Stamp albums (unless a large amount or reading material is complete and less than 25% of the album is for mounting stamps or cards)
* Complete Stamp albums
* Essentially stationary items e.g. address books or diaries

**Brochures/Pamphlets**

They should have the following characteristics;

* A brochure has several sheets of reading matter, fastened or folded together. It usually contains adverts in text or picture form
* It should convey information and not be designed to hold other items
* A pamphlet is similar but will be of a political, social or intellectual nature

The item will be standard rated if it is primarily intended for completion or to be detached as this takes the nature of a form.

**Binders/Folders**

A loose-leaf work that is bound together counts as a book and may be zero rated.

If it is intended to be kept in a ring binder then both the binder and its contents are zero rated. This applies even if the binder is delivered separately to the pages it is meant to contain.

**Leaflets**

They should have the following characteristics:

* It should be on limp paper
* It should be designed to be held in the hand rather than hung on the wall as a poster etc.
* It should be on a single sheet and no larger than A4 per side
* It should be a complete work in itself
* It should convey information by text
* It should be supplied in a minimum of 50 copies
* It should not be designed to kept such as laminating (exceptions to this are orders of service)
* It should not be designed with greater than 25% of its area to be completed otherwise it is a form

**Newspapers**

They should have the following characteristics;

* It should be several large sheets folded rather than bound together
* It should be published at least weekly and dated/numbered
* It should carry a substantial amount of news and non-news should be incidental

**Journals/Periodicals**

They should have the following characteristics;

* It should be in newspaper format or a paper bound publication
* It should be published frequently and more than annually
* It must NOT serve primarily to promote own products and services

**Music**

Any music presented on paper is zero rated. This does not include blank manuscript paper or commissioned music from a composer.

**Maps/Charts/Topographic plans**

HMRC require that these are printed on paper or other material and in the form of a single or folded sheet or a collection of sheets bound in book form such as an atlas

**Specific Areas: Standard Rating**:

**Posters**

A sheet intended for public display is standard rated, although a poster magazine will qualify as a zero rated journal

**Stationary**

Items such as diaries, account books and exercise books are standard rated

**Letters**

Individual letters written or typed are standard rated.

**Forms**

Where there is a section to be completed or detached and returned, and this accounts for more than 25% of a leaflet/pamphlet or brochure then the item will be treated as a standard rated form.

**Photocopies**

Unless the photocopies can be described as having the characteristics of zero-rated item such as a book or a pamphlet, then they will be treated as standard rated.

**Supplies to Students**

The supplies of items that would normally be standard rated but are supplied to students for the purposes of education or ancillary to can be treated as supplied exempt.

If the item were to be zero rated then this would override the VAT exemption and also ensure that any VAT incurred in making these supplies is recoverable.

**Supplies to Charities**

The supply of printed advertising to Charities is zero rated provided the Charity has produced a VAT certificate to request the zero rating

Also where the charity requires the use of the following in the collection of donations they can also be treated as zero rated providing the charity produces proof of their status;

* Pre-printed letters appealing for donations
* Pre-printed envelopes for use with appeal letters
* Money collecting envelopes
* Money collecting boxes where made from card

The general rules for VAT liability will apply for all other supplies made.

**Production of Zero rated goods**

**Preparatory/Post production work**

Where QMUL supplies items that qualify for zero rating it can also zero rate any preparatory/post production work (except alterations) that are carried out in conjunction with those items.

This applies even if the processes are itemised and charged separately on the final invoice and also if the work has been sub-contracted.

However, if the contract is solely for design work with no delivery of printed matter then the supply of services will be standard rated.

If pre-production or post-production costs are invoiced separately to the customer under a separate contract for design work to the printing contract then this will be seen as a separate standard rated supply to the customer. The only exception to this would be if the design work is for a charity advertisement.

**Sub-contracted work**

A subcontractor can only zero rate work that creates a new zero rated good themselves. If this is not the case and they provide a service that is to be included in another work then they must standard rate their supply.

However, this would become part of QMUL’s charge for the final product so that QMUL would be able to fully recover all VAT incurred on the design cost. This is due to the fact that is has been incurred in the making of a taxable (zero) rated supply.

For example if the subcontractor only provides typesetting then this will be standard rated. If they also bind the pages to make a book then it is producing a zero rated item and can therefore zero rate its supply.

**Working on other goods**

If a service is carried out that produces a new good then the VAT liability will follow that of the goods produced e.g. binding loose papers into a book will be zero rated, but repairing an old book would be standard rated.

Any other post production alterations will be seen as standard rated.





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