This guidance tells you what you need to know about purchasing adapted vehicles free of VAT if you are:
- a disabled wheelchair user planning to buy an adapted vehicle, or
- looking to purchase a vehicle on behalf of a wheelchair user.

When dealing with motor dealers or HM Revenue & Customs (HMRC), you may hear the phrases ‘VAT-free’, ‘VAT relief’ or ‘zero-rate VAT’.
In this context, these phrases refer to you not paying VAT when you purchase an adapted vehicle as part of this scheme.

**When can I purchase an adapted motor vehicle VAT-free?**

You can purchase, lease or hire an adapted motor vehicle VAT-free when all the following conditions are met:
- the motor vehicle is supplied to a disabled person who normally uses a wheelchair to be mobile
- the vehicle is permanently and substantially adapted
- the adapted motor vehicle must be for the domestic or personal use of the disabled wheelchair user, and
- the supplier is given a completed declaration, form VAT1615A, which confirms eligibility.

Each of these conditions is explained in more detail below and, for the purposes of this relief, the following definitions apply.

**Definition of ‘wheelchair’ and ‘wheelchair user’**

In legal terms, a wheelchair is a chair on wheels for invalids, which is either manually propelled or electrically powered. A mobility scooter is not a wheelchair for VAT purposes.

A wheelchair user is any disabled person who normally uses a wheelchair in order to be mobile.

A person who occasionally uses a wheelchair such as:
- when visiting a shopping or garden centre, or
- temporarily because of a broken leg

does not normally use a wheelchair and is therefore not eligible for the relief.

A mobility scooter would usually have a central steering column and generally only be used outside the home.

**What is an eligible adapted motor vehicle?**

A motor vehicle seating no more than 12 people may qualify for the relief if it is designed or permanently and substantially adapted:
- for the carriage of a disabled wheelchair user, or
- specifically to allow a wheelchair to be carried on or in the vehicle.

A static or towing caravan with no means of independent propulsion is not a ‘motor vehicle’ for the purpose of this relief.

‘Motor vehicle’ includes:
- cars
- multi passenger vehicles (MPVs)
- light vans, and
- motorhomes.
An adaptation is permanent when it is intended to last indefinitely and cannot be removed quickly or easily. Generally the adaptation would require welding or bolting to the vehicle.

A substantial adaptation would alter the vehicle in a meaningful way, enabling a wheelchair user to use the vehicle which he or she could not use before it was adapted.

The adaptation must be both necessary and specific to suit the customer’s particular needs. It must allow the disabled wheelchair user to either enter and drive, or enter and travel in the vehicle, or it must allow a wheelchair to be carried on or in the vehicle.

**Examples of eligible adaptations**

Qualifying adaptations may typically include any combination of the following:

- a swivel seat (where not offered as standard equipment, for example, in motorhomes)
- a hoist to lift a wheelchair into or onto the vehicle
- a specialist wheelchair box, fitted to the top or back of the vehicle
- adaptations that enable a wheelchair user to drive the vehicle, such as push/pull brake and accelerator, hand controls or other aids that operate the primary driving controls.

This is not an exhaustive list.

The following do not qualify as adaptations:

- the fitting of a standard roof rack or standard roof box
- the attachment of a trailer to the back of a vehicle
- the fitting of automatic transmission, or
- the fitting of parking/reversing sensors because they are for general use and not specifically designed for disabled people.

This is not an exhaustive list.

The fact that the vehicle has been adapted does not, in itself, mean that it qualifies for VAT relief.

No. The car itself will not be eligible for VAT relief. If you are having goods (including motor vehicles) adapted to suit your particular condition, the supply of this service, together with the goods used in the adaptation process, may be zero-rated.

Please note this is a wider VAT relief available to all disabled people (and not just disabled wheelchair users).

Domestic or personal use is normal everyday use by the disabled wheelchair user such as going to the shops, taking the children to school, travelling to and from work. It also includes incidental use at work, providing the main use remains as a private vehicle.

Domestic or personal use does not include business use – for example:

- using the vehicle as a taxi
- buying and selling motor vehicles for profit.
The relevant VAT legislation does not impose any specific limit on the number of vehicles that you can buy VAT-free. However, frequent purchases may contravene the ‘domestic or personal use’ condition.

If you frequently purchase zero-rated motor vehicles, this may be considered indicative of a business activity for VAT purposes. As well as the vehicles not being eligible for VAT relief, you may be liable to VAT registration (subject to prevailing VAT turnover limits) and have to account for VAT on the sale of these vehicles. You may also need to consider whether a personal tax liability is generated in respect of any profits from these sales and/or whether such activity may be in breach of any benefits that you may be receiving.

If at the time of purchase you intend to dispose of the vehicle(s) in order to profit from the VAT relief, zero-rating is not appropriate as this is not personal or domestic use of the vehicle.

Yes. HMRC accepts that in some circumstances a disabled wheelchair user may be unable to purchase and/or drive a motor vehicle themselves – although the sale of the vehicle to a person connected to them (for example, parent, other relative or carer) would directly benefit the disabled wheelchair user’s mobility. Provided that the purchase is primarily for the domestic or personal use of the disabled person rather than the personal use of the connected person, zero-rating can be allowed.

HMRC expects suppliers to verify that the vehicle is being purchased for the domestic or personal use of the disabled wheelchair user. If you are purchasing the motor vehicle on behalf of a disabled wheelchair user, you may be required to provide additional information and evidence to your supplier to demonstrate this, such as:
- who is paying for the adapted vehicle?
- who will own the adapted vehicle?
- who is the registered keeper of the adapted vehicle?
- does the family member/carer have another vehicle for their use?
- where will the adapted vehicle be kept?
- who will use the adapted vehicle?
- what will the adapted vehicle be used for?
- how often will the disabled wheelchair user use the adapted vehicle?

No. As above, it is acknowledged that the disabled wheelchair user may not legally be allowed to have a vehicle registered in their name.

Yes. A second-hand adapted vehicle can be zero-rated if all of the previously mentioned conditions are met.

However, you should be aware that many motor dealerships operate what is known as the Second-Hand Margin Scheme when selling used vehicles. This means that the supplier is only required to account for VAT on his ‘margin’, that is, the difference between the price he or she paid for the vehicle and the price achieved at sale. Consequently, you should not necessarily expect any VAT saving to be directly proportionate to the price you pay for the vehicle.
The cost of repair or maintenance of an adapted motor vehicle can also be zero-rated when:

• the work relates to a vehicle (or the adaptation to a vehicle) that was zero-rated when originally supplied, and
• you provide a valid eligibility declaration to your supplier.

If you take the vehicle for repair or maintenance to a third-party garage you will need to produce the original purchase invoice for the vehicle or adaptation to confirm that it had previously been supplied at the zero-rate. Your supplier should also retain a copy as evidence for zero-rating his supply to you.

Motability is a charity helping disabled people and their families to become more mobile. It provides vehicles and powered wheelchairs to disabled people.

The scheme is not administered by HMRC although there is special VAT relief for vehicles leased under this scheme.

You can get more information about the Motability Scheme by contacting Motability Customer Information Service on 01279 635 666 or internet site www.motability.co.uk

At the end of this guidance is form VAT1615A Declaration for zero-rated VAT supply of adapted vehicles and services. You need to state your name and address and describe your condition (the reason you are a wheelchair user).

Do I need to send a copy of my eligibility declaration to HMRC?

No, please pass the form to the supplier. The supplier will keep it safe as they may be asked to show it to a VAT officer at a future date.

Please note, this scheme works on the basis that you are not charged VAT. Therefore, you do not have to apply for a VAT refund from HMRC.

If you would like more help:
• Go to www.hmrc.gov.uk
• Phone our VAT Disabled Reliefs Helpline on 0845 302 0203 and select option 1.
  Our helpline is open Monday to Friday from 8am to 5pm.
• Contact us by secure e-mail on http://www.hmrc.gov.uk/charities/vat-relief-disabled.htm
• Write to us at HM Revenue & Customs VAT Disabled Reliefs Team St John’s House Merton Road LIVERPOOL L75 1BB
Declaration for zero-rated VAT supply of adapted vehicles and services

To check whether you are eligible to receive a motor vehicle or services zero-rated for Value Added Tax (VAT) please refer to the guidance given on VAT1615. If you need further guidance please contact the VAT Disabled Reliefs Helpline direct on 0845 302 0203 before signing the declaration.

Please note, HMRC staff are not qualified to offer advice on particular disabilities and whether or not a disability requires a person to use a wheelchair. Please contact your medical practitioner if you are unsure if your condition necessitates the use of a wheelchair for your day-to-day mobility requirements.

Customer’s declaration

The customer must complete this part of the form.

Your full name, including title

Your full address

Postcode

Declaration

- I wish to claim relief from VAT (Value Added Tax)
- I declare I usually use a wheelchair to be mobile and the adapted vehicle is for my personal use.
- I am chronically sick or have a disabling condition by reason of (please provide full and specific description of your condition below)

The information given on this form is correct and complete.

Signature

Date DD MM YYYY

When you have completed this part, please pass it to your supplier. The supplier will complete the rest of the form and keep it. The supplier may be asked to show it to a VAT officer to explain why you have not been charged VAT on the goods and services supplied to you.

Please note, if you make a false declaration you may be asked to pay a penalty.
**Supplier’s declaration**

The supplier must complete this part of the form.

The supplier must ensure that the motor vehicle and the services you supply qualify for zero-rated VAT.

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**Goods and services supplied to the named customer**

Please tick the box to indicate the goods and services supplied to the customer.

- A motor vehicle for the customer’s personal use
- Services to adapt a motor vehicle to meet the customer's needs
- Services to repair or maintain a motor vehicle
- An adapted motor vehicle supplied on lease

Please provide full details of the goods and services supplied below.

Describe the vehicle, description of the adaptations made and any services provided for the personal use of the named customer.

The information given on here is correct and complete.

**Signature**

**Date DD MM YYYY**

Please keep this declaration and produce it when asked to do so by a VAT officer.

The production of this declaration does not automatically justify the zero-rating of your supply.

Please note, you may be asked to pay a penalty for making or knowingly accepting false declarations.