

# VAT

# 20%

## rate changes for business

Jan 2011

Save today. Save tomorrow.



# VAT rate changes for business

## Information for business customers

**This fact sheet describes how the change to the VAT rate from 4th January 2011 will be applied to electricity and gas bills for businesses. EDF Energy customers do not need to take any action as we will apply the new rate automatically.**

# 20%

HM Revenue and Customs (HMRC) have confirmed how the VAT rate change can be applied for electricity and gas supplies:

'In billing for continuous supplies of fuel and/or power that span the date of the change of VAT rate, EDF Energy can apply the change in VAT rate by reference to consumption before and after 04/01/2011. Consequently consumption prior to 4th January 2011 will be charged at the VAT rate of 17.5% and consumption on or after 4th January 2011 will be charged at the VAT rate of 20%.'

[Legislation at section 88 of The Value Added Tax Act 1994 relates.]

## What this means for electricity and gas bills

Unless your organisation is paying a reduced rate for VAT, the electricity and gas your company used before 4th January 2011 will incur the 17.5% VAT rate. Energy consumed on or after that date will incur the 20% VAT rate. Therefore, you may see both rates of VAT on bills that include electricity or gas used in a period spanning 4th January 2011.

### 1. For corrected bills

If an account has an invoice that is incorrect and is rebilled later to reflect a correction, the VAT rate in place at the time the energy was consumed will be applied.

### 2. For electronic bills

The VAT rate in place at the time the electricity or gas is consumed will be applied. This will be displayed as an additional line in the eBilling file EDF Energy provides.

## More information

For more detailed information about the change, please refer to HM Revenue & Customs at [www.hmrc.gov.uk](http://www.hmrc.gov.uk) or you can phone them on **0845 010 9000**.

If you are a VAT registered business, the above website also provides information on "What VAT you can reclaim".





## e-factsheet - a better way of working

Why an e-factsheet? At EDF Energy we are committed to using the most sustainable working practices wherever possible and this includes when delivering communications to our customers. E-factsheets significantly reduce the volume of printed material we need, reducing our carbon footprint and contributing towards our 2012 Climate Commitment pledges.

Our customers appreciate e-factsheets because they offer timely delivery of easy to access information in an ideal format for the modern screen based working environment.

**[edfenergy.com/business](http://edfenergy.com/business)**

To view our fuel mix visit [edfenergy.com](http://edfenergy.com)

EDF Energy Customers plc with registered number 2228297. EDF Energy 1 Limited with registered number 3986835. Registered offices at 40 Grosvenor Place, Victoria, London, SW1X 7EN. Incorporated in England and Wales. EDF Energy 1 Limited acts as agent of EDF Energy Customers plc for the purposes of collecting all payments in connection with its supply contracts. The responsibility for performance of supply obligations rests with EDF Energy Customers plc.

Save today. Save tomorrow.

