

Flat rate percentages

The VAT flat rate you use usually depends on your business type. You may pay a different rate if you only spend a small amount on goods.

You get a 1% discount if you're in your first year as a VAT-registered business.

If you spend a small amount on goods

You're classed as a 'limited cost business' if your goods cost less than either:

- 2% of your turnover
- £1,000 a year (if your costs are more than 2%)

This means you pay a higher rate of 16.5%. You can [calculate if you need to pay the higher rate](#) and work out which goods count as costs.

If you aren't a limited cost business, you use your business type to work out your flat rate.

Flat rates for types of business

| Type of business | Current VAT flat rate (%) |
|-------------------------------------------------------|---------------------------|
| Accountancy or book-keeping | 14.5 |
| Advertising | 11 |
| Agricultural services | 11 |
| Any other activity not listed elsewhere | 12 |
| Architect, civil and structural engineer or surveyor | 14.5 |
| Boarding or care of animals | 12 |
| Business services not listed elsewhere | 12 |
| Catering services including restaurants and takeaways | 12.5 |
| Computer and IT consultancy or data processing | 14.5 |
| Computer repair services | 10.5 |
| Entertainment or journalism | 12.5 |

| Type of business | Current VAT flat rate (%) |
|-----------------------------------------------------|----------------------------------|
| Estate agency or property management services | 12 |
| Farming or agriculture not listed elsewhere | 6.5 |
| Film, radio, television or video production | 13 |
| Financial services | 13.5 |
| Forestry or fishing | 10.5 |
| General building or construction services* | 9.5 |
| Hairdressing or other beauty treatment services | 13 |
| Hiring or renting goods | 9.5 |
| Hotel or accommodation | 10.5 |
| Investigation or security | 12 |
| Labour-only building or construction services* | 14.5 |
| Laundry or dry-cleaning services | 12 |
| Lawyer or legal services | 14.5 |
| Library, archive, museum or other cultural activity | 9.5 |
| Management consultancy | 14 |
| Manufacturing fabricated metal products | 10.5 |
| Manufacturing food | 9 |
| Manufacturing not listed elsewhere | 9.5 |
| Manufacturing yarn, textiles or clothing | 9 |
| Membership organisation | 8 |
| Mining or quarrying | 10 |
| Packaging | 9 |
| Photography | 11 |
| Post offices | 5 |

| Type of business | Current VAT flat rate (%) |
|---------------------------------------------------------------------------|----------------------------------|
| Printing | 8.5 |
| Publishing | 11 |
| Pubs | 6.5 |
| Real estate activity not listed elsewhere | 14 |
| Repairing personal or household goods | 10 |
| Repairing vehicles | 8.5 |
| Retailing food, confectionery, tobacco, newspapers or children's clothing | 4 |
| Retailing pharmaceuticals, medical goods, cosmetics or toiletries | 8 |
| Retailing not listed elsewhere | 7.5 |
| Retailing vehicles or fuel | 6.5 |
| Secretarial services | 13 |
| Social work | 11 |
| Sport or recreation | 8.5 |
| Transport or storage, including couriers, freight, removals and taxis | 10 |
| Travel agency | 10.5 |
| Veterinary medicine | 11 |
| Wholesaling agricultural products | 8 |
| Wholesaling food | 7.5 |
| Wholesaling not listed elsewhere | 8.5 |

*'Labour-only building or construction services' means building services where the value of the materials supplied is less than 10% of the turnover for those services. If more than this amount, the business is classed as 'General building or construction services'.