

**Customs & Indirect Tax  
Directorate**

CIPFA VAT Committee

VAT Principles Team  
3rd Floor,  
100 Parliament Street  
London SW1A 2BQ

**Tel** 03000 593 383

**Email** [Marie.campbell@hmrc.gsi.gov.uk](mailto:Marie.campbell@hmrc.gsi.gov.uk)

**Date** 14 February 2018

**Internet** [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

Dear CIPFA VAT Committee

**VAT Notice 749 Local authorities and similar bodies**

**1. Further changes proposed by the VAT Committee to N749**

VAT Principles team have been working on updating *VAT Notice 749: Local authorities and similar bodies*. The CIPFA VAT committee asked for some further changes to the draft on 4 January 2018. Policy asked CDIO, who arrange publication, to pause their action whilst we considered the request.. The changes have been agreed and a summary is included at Annex A.

In addition HMRC has accepted the suggestion to stay publication until the rules on capping adjustments for section 33 bodies (sections 11.1 and 12.3) has been changed.

**2. New publishing format.**

Separately on the 18 January CDIO advised policy that they would be changing this guide from a Public Notice to a single piece of flat content (called a detailed guide). The content will be called *Local authorities and similar bodies (VAT Notice 749)*.

This should enhance the notice by making it easier to find on Google, replace addresses with links to contact details and have links within the document between sections.

CDIO will also improve formatting by changing tables to text and re-writing the headings of each section from questions to statements. Examples are given below:

*What changes have been made to this notice?* becomes *Changes to this notice.*

*What law covers this notice?* becomes *The law*

*Must local authorities register for VAT?* becomes *Registering for VAT if you're a local authority*

The Yes or No responses underneath the questions will be removed. CDIO will only take this action once policy confirm that they have made all the necessary changes to the draft.

Marie Campbell