

## VAT RULES

Taken from <https://www.gov.uk/guidance/vat-on-land-and-property-notice-742>

### **Sports facilities and physical recreation**

#### **5.1 The basic VAT position**

If you let facilities for playing any sport or for taking part in any physical recreation your supply is normally standard-rated. But, if the let is for over 24 hours or is for a series of sessions your supply may be exempt. See **paragraph 5.3** and **5.4** for more details. If you are a sports club or a non-profit making body you should read **Sport supplies that are VAT exempt (VAT Notice 701/45)**.

#### **5.2 A sports facility**

Premises are sports facilities if they're designed or adapted for playing any sport or taking part in any physical recreation, such as swimming pools, football pitches, dance studios and skating rinks.

Each court or pitch (or lane in the case of bowling alley, curling rink or swimming pool) is a separate sports facility.

General purpose halls, such as village or church halls, which merely have floor markings are not themselves classed as sports facilities and the letting of such halls is exempt even when let for playing a sport. Similarly, school halls or similar (but not gymnasiums) are treated as exempt providing it is the bare hall that is provided. But if equipment such as racquets and nets are provided along with the hall the supply is of standard-rated sports facilities.

#### **5.3 Lets for over 24 hours**

If you make a single let of sports or physical recreation facilities for a continuous period of over 24 hours to the same person your supply is exempt, unless you have opted to tax. But the person that you let the facilities to must have exclusive control of them throughout the letting period.

#### **5.4 Lets for a series of sessions**

If you let out sports and physical recreation facilities for a series of sessions your supply is exempt (unless you have opted to tax) when you meet all the following conditions:

##### **Step Condition**

1. The series consists of 10 or more sessions.
2. Each session is for the same sport or activity.
3. Each session is in the same place. This condition is still met where a different pitch, court or lane is used (or a different number of pitches, courts or lanes), as long as these are at the same establishment.
4. The interval between each session is at least 1 day but not more than 14 days (for an interval to be at least 1 day, 24 hours must elapse between the start of each session). The duration of the sessions may be varied. There is no exception for intervals greater than 14 days through the closure of the facility for any reason.
5. The series is to be paid for as a whole and there is written evidence to the fact. This must include evidence that payment is to be made in full whether or not the right to use the facility for any of specific session is actually exercised. Provision for a refund given by the provider in the event of the unforeseen non-availability of their facility would not affect this condition.
6. The facilities are let out to a school, club, association or an organisation representing affiliated clubs or constituent associations, such as a local league.
7. The person that the facilities are let to has exclusive use of them during the sessions.