

VAT on Garages

Guidance from Her Majesty Revenue and Customs (HMRC) says that:

'The letting of a garage or parking space separately from the letting of a dwelling is standard-rated for VAT'

This means that if you rent a garage from Crawley Borough Council (CBC) and you are not a council housing tenant then standard rate VAT will apply to the garage rent.

This VAT is then passed on to Her Majesty Revenue and Customs as per the VAT laws.

However, if you already rent your home (dwelling) from Crawley Borough Council and then rent a garage from the council, the same VAT rate will apply for the garage and the dwelling.

Dwelling rental through a local authority (council) is classed as non-business for VAT so rental of a garage to a CBC tenant is classed the same and no VAT is charged.

The same VAT rates apply even if the garage is used for storage.

This is not an issue that can be resolved by CBC and any questions should be raised with HMRC. Visit their website at: www.hmrc.gov.uk/vat/