



Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

28 April 1987

Andrew Lansley Esq
PS/Chancellor of the Duchy of Lancaster
Cabinet Office
70 Whitehall
LONDON SW1A 2AS

Dear Andrew,

VAT

I attach a history of the main changes to VAT rates and coverage. I am copying this to David Norgrove (10 Downing Street).

Yours sincerely,

Cathy Repling

PP A C S ALLAN

HISTORY OF VAT RATES AND COVERAGE (major changes only)

1 April 1973

VAT introduced. Standard rate 10 per cent. Zero rate covered food, fuel, new housing and alterations, public transport, young children's clothing, books and newspapers.

1 April 1974

Standard rate extended to petrol and snack foods (crisps, sweets and lollies).

29 July 1974

Standard rate cut to 8 per cent.

18 November 1974

New 25 per cent rate on petrol.

1 May 1975

25 per cent higher rate extended to TVs, radios, electric domestic appliances, cameras, jewellery, boats, caravans.

12 April 1976

Higher rate cut to 12½ per cent.

18 June 1979

Standard rate raised to 15 per cent (no higher rate).

1 May 1984

Standard rate extended to hot takeaway food and drink.

1 June 1984

Standard rate extended to alterations to buildings.

1 May 1985

Standard rate extended to newspaper advertising.