The meaning of 'dwelling' – update

Technical Indirect Tax

01 February 2015

Key Points

There were two cases (*Catchpole* and *Fox*) that dealt with the issue of whether a dwelling could comprise only one building; we wrote to HMRC in June 2013; and the issue is before the Land and Property Liaison Group.

Background

VATA 1994, Schedule 8, Groups 5 and 6 make provision for the zero-rating of dwellings. We wrote to HMRC in 2013 after concerns that, despite losing two tax tribunal cases (*Catchpole* and *Fox*), HMRC were maintaining their position that a dwelling had to comprise a single building. That meant that the position was unclear for taxpayers (and their customers).

Update

There does not appear to have been any progress on this issue, although we can report that it is still being considered by HMRC and has been mentioned in the minutes of the Land and Property Liaison Group.

We will continue to monitor the situation but would welcome any further input that members may have on the issue.