

Graphic resources: "A leaflet must be limp, and on unlaminated paper!"

Print guide: Keep it limp for zero VAT!

How limp is your leaflet? According to the Treasury, the answer will affect the VAT status of the publication. Answering a question in Parliament, the then Treasury Minister, Mrs. Gillian Shephard MP, said:
*"The law zero rates books, booklets, brochures, pamphlets and leaflets. Knitting patterns, including those for babywear and children's garments, can therefore be zero-rated only if they can be classified under one of these headings. In the past, single or double sheet knitting patterns were accepted as qualifying for zero-rating. However, Customs and Excise have had to review this position in the light of recent decisions by the independent VAT tribunal, that: **"A leaflet must be limp, and generally, if not inevitably, on unlaminated paper."***

According to the VAT tribunal, 'stiff' leaflets such as menu cards, cassette inlay cards and laminated promotional leaflets should be standard rated for VAT purposes.

(Extract information is from UK chambers of commerce)

HMG - zero rate VAT can also be found on this official link:

<https://www.gov.uk/guidance/zero-rating-books-and-printed-matter-for-vat-notice-70110>

A simpler 'print based' guide can also be found here:

<https://www.galloways.co.uk/resources/guides/vat-on-printing/>

Notes: **From a purely designers point of view:** printing is still relatively cheap as digital printing is very cost effective for small runs (which can be anything from x25 to x250+). **On larger print runs**, you may have to factor in the cost of paper, card and print finishes and odd sizes, laminate, (spot) colour and varnishes all add up to the overall cost. But its worth it, as it can look stunning and memorable. The unit cost gets cheaper, and of course, for VAT registered companies; you can offset the VAT on your overall cost of sales, but only if your VAT registered.

As for the cost of artwork and design, **Art Services has no VAT charges** as we specifically trade below the UK's VAT threshold. So our own charges do NOT attract VAT on any studio invoices, therefore; cannot offset any VAT. If we buy printing on your behalf, as we often do. We may charge a small handling fee to cover the print costs of handling VAT. This has hardly changed over the years, as a rule, low value print are all VAT exempt unless advised otherwise.

This applies to UK only, as it differs from country to country (or EU) in that differing 'import' fees or 'export' (in or out) state charges generally apply outside UK area. Normally Wales, Scotland and Channel islands all follow the same VAT rules, and are unlikely to change. Even so, its always worth printing locally to your needs which saves on delivery costs.