

### **Petition on VAT having to be paid on church extensions**

A petition to remove the requirement for churches to pay 20 per cent VAT on building works is gathering momentum after being launched by a Methodist member in the Hyde and Denton circuit, where a potential £1 million church extension project could incur a VAT bill of approximately £200,000.

Launched under the Open Government Licence, the online petition needs to receive 10,000 signatures in order to trigger a response from the Government, while 100,000 signatures will “almost always” ensure a debate in Parliament. The deadline is 23 January 2019.

“How many are aware that 20 per cent VAT is payable on extensions and refurbishments by churches and other bodies?” said David Mason, a member of Denton church. “In most instances these are being undertaken for local communities, many in deprived areas, and the amount taken from any funds raised by the churches makes it, in a lot of instances, difficult to carry out all the work required.”

Mr Mason said he was very pleased with the response to the petition he was getting from all around the country. “The only thing I am wary of is the speed of the response,” he told the Methodist Recorder.

As an example of the potential extra burden of VAT, Mr Mason said the church in Denton had undertaken a refurbishment in 2005, which had brought many people and groups into the premises at a time when local councils were closing facilities. “Churches help by housing groups that otherwise would have to close, or at least restrict the work that they do,” he said. “We are now working with various health groups, making places for the young and old to meet, running luncheon clubs, art groups, dance groups and yoga groups and we wish to do even more.”

This meant they were currently considering a project costing around £1 million to extend the premises in order to help additional community groups as well as expanding the work done by the church and to open a coffee shop, a second Helping Hand shop and a Christian bookshop. “This would incur a bill of approximately £200,000 in VAT, but this amount of tax means we either have to cut back on our plans or much of it will not be done,” he said. “Raising this amount of funding simply to pay the tax is not an easy job. It also restricts the amount of funding which can be allocated by grant funding bodies to other worthy causes. It simply doesn’t make sense from any point of view.”

Mr Mason said they were aiming to attract 100,000 signatures through the Government’s online petition website by the deadline of 23 January 2019, so that it would get discussed in the House of Commons.

“Next week or next year it could be your church that wants to spend money on an extension or even just on roof repairs and you will be paying out 20 per cent in tax.”

In order to sign the petition visit the website.

[www.petition.parliament.uk/petitions/225494/signatures/new](http://www.petition.parliament.uk/petitions/225494/signatures/new)

