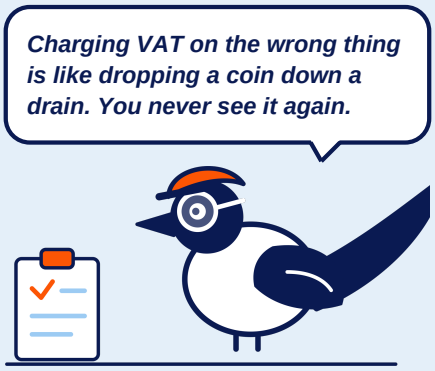
Cranleys
CHARTERED ACCOUNTANTS



CRANLEYS' CLEVER CHECKLISTS · No. 15 · BUSINESS TAX

VAT Checklist 2026/27 for UK Businesses

Tick it, print it, pin it up. Every box you cannot tick is a conversation worth having.



By Colin Davison FCA, Managing Partner, Cranleys Chartered Accountants. In practice since 1998. Reviewed 15 November 2026 against the 2026/27 rules.

THE QUICK ANSWER

Register for VAT within 30 days of going over £90,000 in any rolling 12 months, or when you expect to exceed it in the next 30 days alone. Keep digital records under Making Tax Digital. Partial exemption, bad debt relief and the option to tax all have strict conditions and time limits.

THE KEY FIGURES

2026/27 figure	Amount
Registration threshold	£90,000 rolling 12 months
Deregistration threshold	£88,000
Standard, reduced and zero rates	20%, 5%, 0%
Partial exemption de minimis	£625 a month average and 50% of input VAT
Bad debt relief	after 6 months, claim within 4 years and 6 months

The checklist, box by box

	The check	What to do	Keep as evidence
☐	**Do you check the rolling 12 months every month?**	Register within 30 days of the end of the month you passed the limit, or at once if you expect to pass it in the next 30 days alone.	Monthly turnover log
☐	**Is partial exemption handled?**	Exempt supplies limit recovery. Check the de minimis test and any capital goods scheme adjustments.	Partial exemption workings
☐	**Is place of supply right?**	Business-to-business services are generally taxed where the customer is. Reverse charge and import rules apply.	Contracts, customer location
☐	**Are Making Tax Digital records compliant?**	Digital records and digital links between software. Re-keying breaks the chain.	Software logs
☐	**Is bad debt relief claimed?**	The debt must be six months overdue and written off. Reclaim within four years and six months.	Aged debt list
☐	**Has an option to tax been considered?**	Opting to tax commercial property lets you recover VAT but can reduce buyers and has a 20 year lock.	Option notification, advice

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MY PRO TIP

watch the rolling 12 months every month.

A worked example

A business's rolling 12 month turnover reaches £91,000 at the end of March. It must notify HMRC by 30 April, and VAT is charged from 1 May, or from an earlier date if it should have registered sooner. Separately, a business with only £40,000 of turnover that wins a single £95,000 contract to be delivered within 30 days must register straight away, because the next 30 days alone are expected to exceed £90,000. Late registration means VAT is due from the date registration should have taken effect, plus a penalty.

The trap to avoid

Charging VAT on supplies that are exempt. HMRC assesses the error, and the customer may not be able to recover it.

Test your accountant

One question that tells you if you have the right adviser:

What is my rolling 12 month turnover today, and have you checked my partial exemption position?

What has changed recently

- The registration threshold remains £90,000.
- A temporary 0% VAT on domestic electricity is extended to 30 June 2027.
- Property sales and lettings have special VAT rules. See the SDLT and property taxes checklist.

Questions I get asked

What is the VAT registration threshold?

£90,000 of taxable turnover in any rolling 12 months. You can also register voluntarily.

When must I register for VAT?

Within 30 days of the end of the month you pass the threshold, or immediately if you expect to exceed it in the next 30 days alone.

What is Making Tax Digital for VAT?

A requirement to keep digital VAT records and file returns through compatible software with digital links.

Can I reclaim VAT on bad debts?

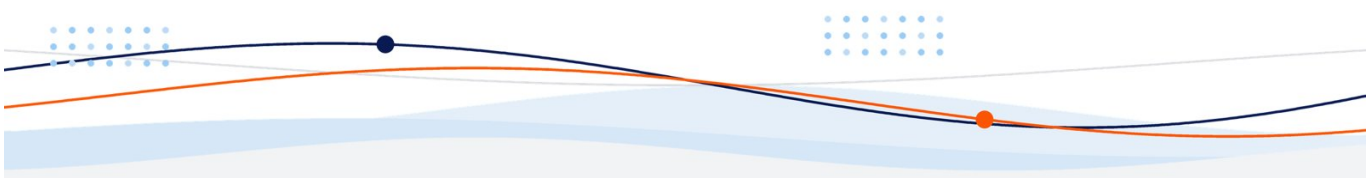
Yes, if the debt is over six months old and written off in your accounts, within four years and six months.

The 9 CAD Keys link: Consistency

Consistency in VAT is a monthly rhythm. A calendar, a log and a checklist make threshold problems visible before they bite.

Colin's 9 CAD Keys. CORE: Clarity, Capability, Consistency. ADVANCED: Analysis & Positioning, Alignment, Acceleration. DYNAMIC: Differentiation, Dexterity, Development. Score each key 1 to 5 in the free Business Value Assessment Scorecard, total out of 45. *Freedom is built. One CAD Key at a time.*

Tick these next



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Stamp Duty (SDLT) and Property Taxes Checklist 2026/27

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Employment, Payroll and Benefits Checklist 2026/27

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Self-Employment and Partnerships Checklist 2026/27

Tax checklist 27
Business Sale, Exit and Succession Tax Checklist 2026/27

Go deeper: my books

For this topic, start with **Business Tax Secrets**, part of The Cranleys Business and Tax Secrets Series: Property Tax Secrets, Inheritance Tax Secrets, Business Tax Secrets, Starting Up Secrets, Business Growth Secrets and Business Exit Secrets. The books are launching soon. Join the launch list at cranleys.online/books and I will tell you the moment each one is released.

YOUR NEXT STEP

Ring me. Free draft plan, no hard sell.

I will build you a free draft tax plan or business plan on my 9 CAD Keys: a scorecard, a 12-month cashflow forecast, a 90-day action plan and a review with me. **1** Get in touch. **2** Short intro call. **3** Your free draft plan in plain English. You decide what happens next.

Count the coins, tick the boxes.

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Scan to read online, tick it on screen and take the Scorecard



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