



AAT

Tax Processes for Businesses Finance Act 2024

For assessments from
27 January 2025 to end January 2026

Pocket notes

These Pocket Notes support study for the following AAT qualifications:

AAT Level 3 Diploma in Accounting

AAT Level 3 Certificate in Bookkeeping

AAT Diploma in Accounting at SCQF Level 7



CONTENTS

	Study text chapter	Page Number
A guide to the assessment		1
Chapter 1 Introduction to VAT	1	5
Chapter 2 VAT registration	2	19
Chapter 3 VAT documentation	3	29
Chapter 4 Input and output tax	4	41
Chapter 5 VAT accounting schemes	5	49
Chapter 6 VAT returns and overseas aspects	6	59
Chapter 7 Errors, penalties and communicating VAT information	7	67
Chapter 8 Employer responsibilities for payroll	8	77
Chapter 9 Operating payroll	9	85
Index		i.1

chapter

1

Introduction to VAT

- VAT – how it works.
- Overview of VAT.
- Types of supply.
- Calculating VAT.
- Tax point.
- HMRC powers.
- Disputes with HMRC.
- Visits by VAT officers.
- Assessments.

VAT – how it works

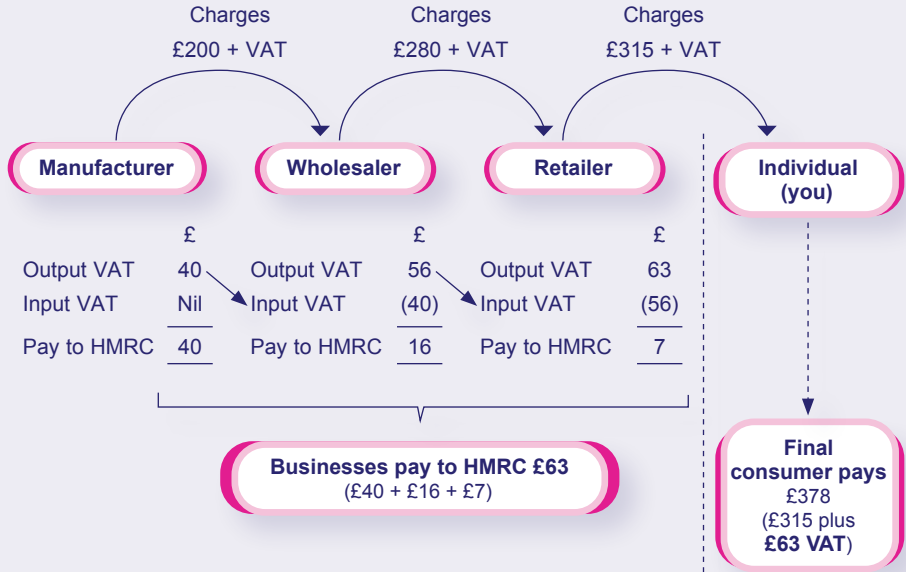
VAT is:

- an indirect tax on consumer spending
- charged on most goods and services supplied within the UK
- suffered by the final consumer, and
- collected by VAT registered businesses on behalf of HMRC at each stage in the production and distribution process.

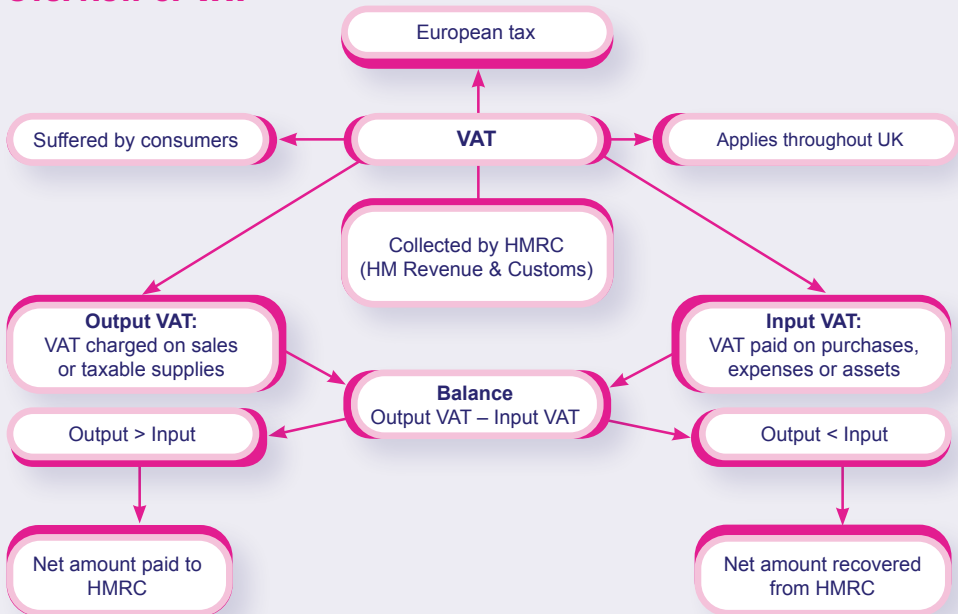
Businesses do not suffer any tax.

Unregistered businesses and the final end consumer who cannot recover the input VAT, are the ones that suffer the tax.

Illustration (assuming the rate of VAT is 20% throughout)



Overview of VAT





You are viewing a sample

Interested in the full version?