



VAT Policy Corner

Policy 14 – VAT and School Uniforms

As the new school year approaches the VAT Department advises the following with respect to the application of VAT on school uniforms.

Schedule I of the Value-Added Tax Act provides the list of items zero-rated for VAT purposes. Paragraph 2A (f) of Schedule I zero-rates, “a supply of locally produced garments”. Therefore, clothing produced by local manufacturers is not subject to VAT at the standard rate of sixteen percent (16%). This would include locally produced school uniforms such as: shirts, pants, skirts, kimonos and dresses.

Please be advised that even though this publication addresses VAT on school uniforms, the provision which zero-rates locally produced garments is not limited to school uniforms. Other articles of clothing which are locally manufactured are zero-rated for VAT purposes.

It is important to note that cloth is not zero-rated and as such, will attract VAT at the standard rate of sixteen percent (16%) regardless of whether the cloth may be used to make school uniforms. However, clothing manufacturers registered for VAT will be able to claim any input VAT that was paid for supplies purchased to produce their zero-rated items.

Persons who have queries with reference to VAT are encouraged to write to the Commissioner, VAT and Excise Tax Department, 210 ‘E’ Albert and Charlotte Streets, Bourda for clarification.