

# Vat on solar panels





## Overview

---

VAT is no longer imposed on solar panels that are installed on residential properties in the UK. This means there is no VAT on both the cost of solar panels and the cost of installation – though there are a few exceptions.

VAT is no longer imposed on solar panels that are installed on residential properties in the UK. This means there is no VAT on both the cost of solar panels and the cost of installation – though there are a few exceptions.

This notice explains when the installation of energy-saving materials and heating equipment is zero-rated or reduced-rated. Where reference to the term ‘relief’ is made that will relate to supplies made at the zero rate of VAT in Section 2 and at the reduced rate of VAT (5%) in section 3. Following.

Given how expensive going solar can be, it’s helpful that there’s currently a 0% VAT rate on solar panels and storage batteries across the UK. Households and charitable organisations should take advantage of this discount before the rate rises to 5% in 2027 – even if the upfront cost of going solar.

This briefing explains the current VAT treatment on the installation of energy-saving materials in the UK, analyses recent changes, and outlines recent developments. A zero-rate of VAT on the installation of energy-saving materials (ESMs), including solar panels, in residential accommodation, was.

Chancellor Rishi Sunak announced cutting VAT from five per cent to zero upon installing energy-efficient systems such as solar panels, heat pumps and insulation. According to him, “ A family having a solar panel installed will see tax savings worth over £1,000 and savings on their energy bill of.

This guide aims to provide an understanding of the VAT treatment for the supply and installation of solar panels in various scenarios, including private dwellings, commercial buildings, and mixed-use buildings as clarified by a Revenue’s guidance. From May 1, 2023, the zero rate will apply to the.

You’ll pay a rate of either 5% or 0% VAT when certain energy-saving products are installed in your home if you’re eligible. Not all products or installations



qualify for the lower rate and you cannot buy or install them yourself. Your installer will be responsible for charging you the correct rate. Are solar panels subject to VAT?

For residential properties, installing solar panels is subject to a 0% VAT charge. However, it's important to note that the VAT reduction only applies if you're having the solar panels installed by a professional.

Will VAT be scrapped on solar panels?

Scrapping of VAT on solar panels aims to reduce the cost of installing solar panels. The zero rate will run until 31 March 2027 and move to 5% VAT. Solar batteries also qualify for 0% VAT relief whether you're installing them simultaneously with the panels or adding them to an existing system. What is the VAT on Solar Panels in the UK?

Do solar batteries qualify for 0% VAT?

Luckily, the government has now added solar batteries to their list of energy-saving products that qualify for 0% VAT, regardless of what they're installed alongside of. Like solar panels, solar storage batteries can reduce both energy bills and carbon emissions by storing excess electricity produced from the panels, to be used later.

What is the VAT rate on solar panels?

The old VAT rate on solar panels was either 5% or 20%, depending on the situation. Installations would come with a 5% VAT rate if they were carried out at a household with a resident who was aged 60 or over or received a qualifying benefit.

Is there a zero-rate VAT on solar panels?

A zero-rate of VAT on the installation of energy-saving materials (ESMs), including solar panels, in residential accommodation, was introduced on 1 April 2022. At the time, it only applied to England, Scotland, and Wales. Following a new agreement between the UK and the EU, the zero-rating was also implemented in Northern Ireland on 1 May 2023.

What is the VAT rate for solar panels in Northern Ireland?



In Northern Ireland, the incumbent reduced VAT rate of 5% will continue for the installation of solar panels and other specific energy-saving materials. There are some restrictions that apply for installations on residential accommodation. These can be found in the Government's Energy-saving materials and heating equipment guidance.



## Vat on solar panels

---



### [Solar Panels and Heat Pumps installation reclaim ...](#)

UK Solar Panels VAT Update: Zero Rate from April 2022 - What You Need to Know Starting April 2022, the VAT for solar panels and heat pumps in the UK has been reduced to 0%. This guide explains the VAT policies for ...

### [What You Need to Know About Zero VAT on Solar ...](#)

Potential Challenges And Considerations  
Installing solar panels in Ireland comes with a few potential challenges and considerations to keep in mind. Firstly, while the zero VAT rate on solar panels makes them more affordable, it's important ...



### [A Comprehensive Guide to Zero-VAT for Domestic ...](#)

This guide aims to provide an understanding of the VAT treatment for the supply and installation of solar panels in various scenarios, including private dwellings, commercial buildings, and mixed-use buildings as ...

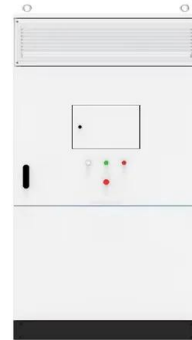


### [Government Announces Zero VAT Rate for Solar ...](#)

The Irish government has recently announced a major incentive for homeowners looking to install solar panels on their private dwellings. Effective



May 1st, 2023, there will be a zero rate of VAT for the supply and installation of solar panels. ...



### [Understanding the New VAT Rules for Solar Panels in ...](#)

Conclusion Installing solar panels is now more affordable than ever, thanks to the new VAT rules in the UK. The 0% VAT rate applies to all residential solar panel installations, even those that include a battery storage ...

### **Is There VAT on Solar Panels?**

Is There VAT on Solar Panels? Author: Steve Fairless Date Published: 24th January 2024  
Understanding VAT on Solar Panels in the UK In the UK, installing solar panels on residential properties is subject to a zero-rate VAT until 31 ...



### [VAT For Renewable Installations UK . Impact Services](#)



VAT Rates For Charities 0% VAT applies to the installation of the following energy savings materials in buildings intended for use solely for a relevant charitable purpose: Solar Panels (Roof and Ground) Battery Storage (Standalone or retro ...



### **Government Announces Zero VAT Rate for Solar Panels in ...**

The Irish government has recently announced a major incentive for homeowners looking to install solar panels on their private dwellings. Effective May 1st, 2023, there will be a zero rate of VAT ...



## **Contact Us**

---

For catalog requests, pricing, or partnerships, please visit:  
<https://solar360.co.za>