

VAT Guidance for Key Travel Bookings

Treatment of VAT based on Reason for Travel and Product Being Purchased

Reason Selected	Detailed Explanation	Mode of Travel	Tax code applied
Teaching	For travel in connection with teaching activities including student admin and recruitment (Not Recoverable)	<ul style="list-style-type: none"> • All Rail Fares (Domestic and International) • All Flights • All Coach Hire (with Drivers) • Accommodation – Pre-Pay payment (UK and International) • Accommodation – All International • Taxi / Car Hire / Parking - International 	10
		<ul style="list-style-type: none"> • Accommodation – Bill back payment (UK only) • Taxi / Car Hire / Parking – UK • Visa Services 	SN
Non Business Research	For travel relating to research funded by research bodies or charities. (Not Recoverable).	<ul style="list-style-type: none"> • All Rail Fares (Domestic and International) • All Flights • All Coach Hire (with Drivers) • Accommodation – Pre-Pay payment (UK and International) • Accommodation – All International • Taxi / Car Hire / Parking - International 	10
		<ul style="list-style-type: none"> • Accommodation – Bill back payment (UK only) • Taxi / Car Hire / Parking – UK • Visa Services 	SN
Commercial Research	For travel relating to a taxable research contract (commercial funding), (Recoverable).	<ul style="list-style-type: none"> • All Rail Fares (Domestic and International) • All Flights • All Coach Hire (with Drivers) • Accommodation – Pre-Pay payment (UK and International) • Accommodation – All International 	10

		<ul style="list-style-type: none"> • Taxi / Car Hire / Parking - International 	
		<ul style="list-style-type: none"> • Accommodation – Bill back payment (UK only) • Taxi / Car Hire / Parking – UK • Visa Services 	SR
Consultancy & taxable activities	For travel relating to consultancy, producing a book or another type of taxable project or income stream. E.g. NIHR (Recoverable).	<ul style="list-style-type: none"> • All Rail Fares (Domestic and International) • All Flights • All Coach Hire (with Drivers) • Accommodation – Pre-Pay payment (UK and International) • Accommodation – All International • Taxi / Car Hire / Parking - International 	IO
		<ul style="list-style-type: none"> • Accommodation – Bill back payment (UK only) • Taxi / Car Hire / Parking – UK • Visa Services 	SR
Other non taxable activities	For travel relating to another type of project or income stream. (Not Recoverable). Including booking travel for students and visitors	<ul style="list-style-type: none"> • All Rail Fares (Domestic and International) • All Flights • All Coach Hire (with Drivers) • Accommodation – Pre-Pay payment (UK and International) • Accommodation – All International • Taxi / Car Hire / Parking - International 	IO
		<ul style="list-style-type: none"> • Accommodation – Bill back payment (UK only) • Taxi / Car Hire / Parking – UK • Visa Services 	SN
Admin Travel	For Travel relating to general University activities, excluding student admin and recruitment. (Partly Recoverable).	<ul style="list-style-type: none"> • All Rail Fares (Domestic and International) • All Flights • All Coach Hire (with Drivers) • Accommodation – Pre-Pay payment (UK and International) • Accommodation – All International • Taxi / Car Hire / Parking - International 	IO

		<ul style="list-style-type: none"> • Accommodation – Bill back payment (UK only) • Taxi / Car Hire / Parking – UK • Visa Services 	SP
Key Travel Offline and Online Booking Fees	Any Reason	<p>All Key Travel booking fees are shown as a separate line item on the invoice. Flight and rail booking fees will have no VAT, only hotel booking fees related to hotels based in the UK or EU will include VAT. For example if staying in a hotel in the UK or EU VAT will always be applicable on the booking fee, if the hotel is in the USA for example there would be no VAT.</p> <p>I.e. if you are booking an Expedia hotel where VAT is billed to the hotel cost, there will be still be VAT applied to the Key Travel booking fee.</p>	

Hotels

For hotel bookings within the EU: VAT may apply on the cost of the hotel and will always apply to Key Travel fees on bookings (if applicable).
For hotels outside of the EU: VAT is not applicable.

Prepaid Hotels – (bookings which are invoiced at point of booking)

Under HMRC rules Key Travel is acting as an agent between the company supplying the hotel and the University of Leeds. In these instances HMRC rules dictate that Key Travel passes this cost on to the customer as a disbursement and therefore the total cost inclusive of any VAT is billed however unfortunately any VAT applicable cannot be shown on the invoice.

Billback Hotels – (bookings which are invoiced at point of departure)

Under HMRC rules Key Travel is acting as agent on behalf of the customer when arranging hotels via billback. Key Travel pays for the hotel on behalf of the University and includes the product cost with the VAT separated on the invoice. This will allow the University to reclaim the VAT where they are able to do so (based on activity type).

This includes bookings supplied by other hotel suppliers, bookings made directly with a hotel or “GDS hotels” – all which will show as “billback” on the tool.

Exceptions:

The VAT treatment of billback and prepaid hotels is as outlined above except for those supplied by:

Expedia
Premier Inn
Travelodge

As Expedia is based in the USA, no VAT is applicable and therefore costs carry no VAT.

For Premier Inn and Travelodge, all costs will be inclusive of VAT where applicable and will not be separated out on the invoice (e.g. a hotel room for £100 will be shown as £120 (assuming current VAT rate of 20%)). It is not therefore possible to recover VAT on prepaid bookings made with either Premier Inn or Travelodge.