



TEMPORARY REDUCED VAT RATE OF 5% 25 JUNE TO 1 SEPTEMBER 2026

The government has announced a temporary reduction in the standard rate of VAT for certain supplies of children's meals, tickets and family attractions. This time-limited measure is intended to stimulate consumer spending and provide short-term relief to businesses and individuals during the summer period.

The temporary reduced rate of VAT will apply to:

- certain supplies of children's meals;
- children's admission to theatres, cinemas, concerts, exhibitions and shows; and
- all admission tickets to certain attractions suitable for families with children.

The reduced rate will replace the standard rate of VAT of 20% for supplies that fall within the scope during this period.

The temporary reduced rate will apply to businesses making consumer facing supplies such as:

- Restaurants, cafés, and similar catering establishments.
- Cinemas, theatres, exhibition, and performance venues.
- Operators of circuses, fairs, amusement parks, theme parks, adventure parks and water parks, zoos and other animal attractions, soft play centres, observation attractions, and certain other family-focused attractions.
- Museums and similar cultural attractions.

Children's meals

The reduced rate applies to the supply of children's meals where both of the following conditions are met:

- the meal is held out for sale only as a meal for children; and
- the meal is supplied as part of catering services by a restaurant, café or similar establishment for consumption on the premises.

Whether a meal is held out for sale only as a meal for a child will depend on how it is marketed, presented and priced rather than who consumes it by, for example, being included on a distinct children's menu.

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Meals include drink, meaning that a non-alcoholic drink supplied as part of a children's meal will qualify for the reduced rate.

Children's theatre and cinema tickets

The reduced rate applies to children's admission tickets to:

- cinema screenings;
- theatrical performances, shows and concerts; and
- exhibitions.

A children's ticket is one that is held out for sale only as a right of admission for a child, based on how it is marketed, priced, and presented by the supplier.

Admission to attractions

The reduced rate applies to charges made for a right of admission for any customers, regardless of age, to qualifying attractions that are suitable for families with children.

This includes admission to the following venues, unless that admission is already exempt from VAT, for example, because it is supplied by a qualifying charity or other eligible body:

- Amusement parks and fairs, including water parks and theme parks (excluding pay-per-ride attractions).
- Circuses.
- Adventure parks, including outdoor adventure centres.
- Museums and similar cultural facilities, including planetariums, heritage sites, nature reserves, and botanical gardens.
- Zoos, aquariums, wildlife parks and farm visitor attractions.
- Soft play centres, indoor bounce parks, and indoor play facilities.
- Observation attractions, including viewing platforms, towers and observation wheels.

Only supplies of admission to these types of attractions fall within the scope of the relief.

The reduced rate applies to the charge for the right of admission only. Goods or services supplied separately, for example, food, merchandise or upgrades remain subject to their normal VAT treatment.

Sporting activities – not included

Specifically, it should be noted that sporting activities are not covered by the scope of the reduced rate.

The reduced rate does not apply to sport, including charges for spectating and for participating in sport or physical recreation. This includes:

- admission to sports events;
- use of sports facilities; and
- participation in recreational sport.

These supplies will remain subject to VAT at the standard rate, although some may already fall within the VAT sporting exemption.

VAT time of supply

Businesses should apply the normal VAT rules on time of supply when determining the correct rate of VAT.

The reduced rate applies to supplies of a right of admission for a date falling between 25 June 2026 and 1 September 2026 (inclusive). Tickets bought during the period for admission on or after 2 September 2026 remain subject to the standard rate.

Where supplies are paid for in advance, businesses may opt to apply the lower rate of VAT on the supply in keeping with the existing change of rate provisions. This will apply to all prepayments, including those which may have taken place in advance of the announcement.

Where businesses have already accounted for VAT at the standard rate and subsequently choose to apply the lower rate, they should make the necessary adjustments in their VAT accounts.

Impact on businesses

Businesses should assess the impact on pricing, invoicing, accounting systems, and contractual arrangements to ensure compliance throughout the transition and reduced rate period.

In particular, affected businesses should consider how they will deal with practical implications such as:

- Identifying which supplies qualify for the reduced rate.
- Reviewing how products and services are marketed and presented.
- Considering pricing decisions.
- Applying the correct VAT treatment to mixed or bundled supplies.
- Updating systems and processes within a short timeframe.
- The risk of misapplying the reduced rate, particularly for more complex arrangements.
- Ensuring reversion to the standard rate of VAT from 2 September 2026.

Benefit to businesses and consumers

With regard to who ultimately benefits from this reduced VAT rate, it should be noted that there is no legal obligation for businesses to reduce prices when VAT is temporarily lowered.

Businesses may instead choose to retain the benefit to offset rising wage, energy and operating costs.

Indeed it has been suggested by leading figures in the hospitality industry that the benefit to consumers of this VAT measure and any other future industry specific tax reductions may simply be that the venues survive to serve consumers.

Rawlinson & Hunter can assist in determining the correct VAT liability of supplies and with complying with this temporary VAT measure.

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The Rawlinson & Hunter VAT consultancy advises on domestic and international transactions. We regard VAT as a key tax for many of our clients, which is why our service in this area is led by highly experienced and senior members of the tax team with a proven track record of negotiation success on a range of VAT matters. Our aim is to provide commercially realistic advice and practical solutions to your VAT problems. We believe that VAT should be an important part of the wider tax planning for most businesses.

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