

## 6.1 The 3-year rule

With effect from 1 April 2017, VAT relief is only allowable on one adapted vehicle, purchased (either outright or through a finance lease) for the personal use of the disabled wheelchair user, in a period of 3 years. This is known as the '3-year rule'.

The 3 year period begins on the date that a supply of a zero-rated adapted vehicle is made to a disabled wheelchair user or their nominated representative. The 3-year rule applies to all zero-rated adapted motor vehicles whether purchased within the UK or imported.

An individual or their nominated representative is required to certify with their supplier that they satisfy the 3-year rule and there are penalties for providing an incorrect customer eligibility declaration.

If an individual or their nominated representative wishes to purchase additional adapted vehicles within any 3 year period, then they can do so but they must pay the standard rate of VAT on the purchase of any subsequent vehicle.

## 6.2 Exceptions to the 3-year rule

There could be occasions when there are reasons why a disabled person needs to replace an adapted motor vehicle within a 3 year period and the normal rules can be waived. These are when:

- the vehicle has been stolen
- the vehicle has been destroyed or damaged beyond repair in circumstances beyond the control of the disabled person
- the disabled wheelchair user's condition changes and because of this the vehicle is no longer suitable for use by that person

In order for an exception to the 3-year rule to be made, you will need to provide additional evidence to:

- the supplier of your vehicle - if your previous vehicle has been stolen or destroyed or damaged beyond repair you'll need to provide information from insurers, police or details from the garage writing-off the vehicle

- HMRC - if your condition has changed significantly and your adapted vehicle is no longer suitable to meet the needs of your condition, you'll need to [contact HMRC](#)

HMRC will then consider the case and send you a letter confirming whether or not the 3 year exception is met. The supplier won't be able to zero-rate their supply to you without this confirmation letter.

### **6.3 Customer eligibility declarations**

Customer eligibility forms must be completed for the sale of a zero-rated vehicle. The customer eligibility declaration form ([VAT1615A](#)) must be completed by the disabled person (or their nominated representative) for whom the supply is being zero-rated.

There are penalties for making incorrect customer eligibility declarations and for [fraudulent evasion of VAT](#).

The disabled person or their nominated representative should complete the customer eligibility declaration form and hand this to the vehicle supplier. The supplier will ask you about your eligibility and may ask for additional information or documents to support your entitlement for VAT relief.

Please note, this scheme works on the basis that you are not charged VAT by a supplier. Therefore, you do not apply for a VAT refund from HMRC.