

Tampon tax abolished from today

News story

The 'tampon tax' has been abolished – with a zero rate of VAT applying to women's sanitary products coming into effect today (1 January 2021).



- tampon tax abolished – from today (1 Jan 2021) VAT no longer applies to women's sanitary products
- part of wider government action to End Period Poverty which includes the roll out of free sanitary products in schools, colleges and hospitals
- move made possible by end of the transition period and freedom from EU law mandating VAT on sanitary products

The move honours a government commitment to scrap the tax and is part of a wider strategy to make sanitary products affordable and available for all women which includes:

- January 2020's roll out of free period products for all young people in English state schools and colleges and extension of the scheme into 2021
- the NHS offering period products to every hospital patient who needs them (including long-term in-patients) since 2019
- the Tampon Tax Fund, established in 2015, which allocated the funds generated from VAT on period products to projects supporting vulnerable and excluded women and girls

Chancellor Rishi Sunak said:

I'm proud that we are today delivering on our promise to scrap the tampon tax. Sanitary products are essential so it's right that we do not charge VAT.

We have already rolled out free sanitary products in schools, colleges and hospitals and this commitment takes us another step closer to making them available and affordable for all women.

The Chancellor announced that the tampon tax was to be abolished from 1

January 2021 at March 2020 Budget. As the transition period ended on December 31st, the UK is no longer bound by the EU VAT Directive which mandates a minimum 5% tax on all sanitary products.

Felicia Willow, Fawcett Society Chief Executive, said:

We warmly welcome the scrapping of VAT on all sanitary products from 1 January 2021 and congratulate the government on taking this positive step.

It's been a long road to reach this point, but at last the sexist tax that saw sanitary products classed as non-essential, luxury items can be consigned to the history books.

The Tampon Tax Fund will continue to provide funding for projects supporting vulnerable women and girls. Successful applicants to the £15 million funding for 2020/21 were announced last month.

Further information

- The UK is therefore no longer legally bound by EU laws which have seen sanitary products subject to five different rates of VAT since 1973 – the latest of which was 5%, effective since January 2001.
- Although the UK was bound by the EU VAT Directive, Parliament approved the move to a zero rate, with a provision included in Finance Act 2016 for such an eventuality. The UK also established the Tampon Tax Fund in 2015 to donate money to charity equivalent to the amount of VAT revenue collected, with £47 million donated since then to charities working with vulnerable women and girls.
- The zero rate was legislated for in the Finance Act 2016, enabling the change to come in to force as soon as the UK has discretion to do so under its legal obligations.
- While the UK was a Member State of the EU, we were unable to apply any rate of VAT lower than a reduced rate of 5% to sanitary products because of the EU VAT Directive.

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