



BABTAC
BRITISH ASSOCIATION OF
TOBACCO DEALERS



Although the 12,300 VAT-registered businesses make up around 30 per cent of the hair and beauty sector, they employ half the workforce. By keeping much-needed cash in the business, a targeted cut in the VAT rate for hair and beauty would help them to recover, reducing the proportion that are acutely vulnerable to 6 per cent. We estimate that if 18 per cent of the businesses that would have otherwise failed survive as a result of the cut, the future tax revenues generated and unemployment costs avoided would mean that the policy paid for itself.