



## CONCLUSION

BY DAVID WILLIAMS

# Tax and cosmetic surgery

As Mark Twain said: “The only two certainties in life are death and taxes.” What is open to interpretation is the extent of taxation and how it is applied.

If you live in the UK, the extent is far-reaching. It applies to most consumer purchases, our inheritance, and soon possibly—no doubt inevitably—to cosmetic surgery procedures. In one fell swoop 20% may be added to the price of a liposuction, breast implant, facelift and other operations not performed for “therapeutic purposes”.

The reality is, of course, price-cutting and marketing schemes will be devised to absorb part of the hike to make a clinic’s services more competitive, but the overall effect would bite into the pockets of both practitioner and patient.

The reason for considering adding VAT to cosmetic surgery in the near future arises from the government’s need to raise more revenue. Like much of its citizens, the UK is struggling to pay its bills. Whitehall has calculated that the burden could be eased by the additional £500 million collected annually from taxing surgery consumed for purely aesthetic reasons.

The distinction between what is purely aesthetic and what isn’t can, as we know, be blurred. As one surgeon put it, many cosmetic procedures inhabit a grey area between what is aesthetically desirable and what is purely functional. “Should children having their teeth straightened pay VAT? There is no functional element in straightening teeth; it’s essentially to give them a nice smile,” he says.

Perhaps rubbing their hands in anticipation are the lawyers, who always thrive in grey areas fertile for argument.

As one tax barrister said: “This could raise all sorts of practical and ethical problems if HMRC claim the VAT status, and hence cost, of a medical procedure had to be decided by whether it thought the procedure a luxury while another con-

sidered it vital.”

Some commentators have been quick to point out that President Obama’s so-called “Bo-tax” had to be repealed following loud objections from lobby groups. But they failed to mention that individual states have applied their own tax independent of Washington. New Jersey imposed a 6% tax on cosmetic surgery procedures in 2004.

Critics of the tax could have bolstered their argument with the state’s decision to phase the tax out in July 2013 in three phases. No doubt the New Jersey aesthetic medicine lobbyists raised the point that the tax made them less competitive than neighbouring states. A higher tax is yet another reason for prospective UK consumers to shop abroad for surgical procedures.

While professionals understandably protect their own interests, the layperson appears not to be too bothered by the prospect of VAT-able breast implant procedures. Readers of that most reasoned of national newspapers, the Daily Mail,

thought cosmetic procedures attracted VAT already.

On the paper’s website, one reader said he was “shocked” that non-therapeutic boob jobs were not subject to VAT. “The VAT take from Katie Price alone might have saved several libraries.”

Kate from Manchester was less vindictive, providing a more reasoned answer. “As long as plastic surgery is free on the NHS for the people whose needs are urgent and necessary following accident, burns, mastectomy or to correct a physical abnormality from birth, I really don’t see any problem in adding VAT to those who elect to have cosmetic surgery just for reasons of vanity. As such procedures are cosmetic, then they should be subject to the same taxing as all non-essential luxuries. If the government can tax petrol, adult clothing...”

Ultimately, the issues of what is taxable, why, and by how much are among more far-reaching questions answered by the society we live in and by whom we choose as our leaders.

