

# Impose VAT On Children's Clothes And Food, Says Conservative MP

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UK

11/18/2013

Conservative MPs have called on George Osborne to lower VAT to 15% from its current rate of 20%. However the backbenchers from the Free Enterprise Group have also controversially suggested that it be imposed on children's clothes and food. At present those items are exempt from the tax.

Speaking at an event hosted by the Institute of Economic Affairs (IEA) on Monday morning, Kwasi Kwarteng suggested the move as part of a package designed to save £15.79bn.

The MP for Spelthorne also lamented the "schoolboyish campaign" by the press over George Osborne's 2012 'omnishambles' Budget which saw the government u-turn on a number of VAT rises including on pasties and caravans.

"We should have stuck to our guns," he said. "If you look at last year's budget, we reversed because we thought it was politically unpopular. Yet the reversals in many ways were more toxic than the actual proposals. We're still recovering from it."

"Creating a lower, uniform VAT rate would reduce distortions and boost spending in the economy," a leaflet produced by the Free Enterprise Group argues. "Setting the rate equal to 15% and abolishing exemptions would still gain the Treasury a net £5bn, which could be used to ensure poorer households don't lose out."

However not all the Conservative MPs on the panel agreed. Brooks Newmark said pledging to impose VAT on children's clothes and food in the run-up to the 2015 general election would be "potentially toxic" and easy for Labour to exploit.

On cue, Phil Wilson, Labour MP for Sedgefield, said the "shocking proposal" showed "the true face of David Cameron's Conservative Party".

"They don't understand the pressures facing British families, and they just don't care. At a time when families are facing a cost of living crisis, you have to be spectacularly out of touch to suggest putting VAT on food, children's clothes and books," he said.

"And their plan to raise VAT on gas and electricity to 15% would add £120 to the average energy bill. There are 42 Conservative MPs, including Government Ministers, listed as supporters of the Free Enterprise Group- they should immediately distance themselves from this proposal to hit families with further increases in the cost of living."