



# Finance Act 1975

## 1975 CHAPTER 7

### PART I

#### VALUE ADDED TAX

#### **1 VAT: eight per cent. rate**

- (1) In section 9 of the Finance Act 1972 (rate of value added tax)—
  - (a) in subsection (1), for the word "ten" there shall be substituted the word "eight"; and
  - (b) subsection (2) (which is spent) shall be omitted.
- (2) The Value Added Tax (Change of Rate) Order 1974 is hereby revoked.
- (3) This section shall be deemed to have come into force on 18th November 1974.

#### **2 VAT: special rate for light hydrocarbon oil, etc.**

- (1) Subject to subsection (2) below, in its application to the supply or importation of any light oil, petrol substitute or power methylated spirits, within the meaning of the Hydrocarbon Oil (Customs & Excise) Act 1971, section 9 of the Finance Act 1972 (rate of value added tax) shall have effect, and shall be deemed to have had effect on and after 18th November 1974, as if for the rate of tax for the time being in force, whether by virtue of subsection (1) of that section or of any order under subsection (3) thereof, there were substituted the rate of 25 per cent.
- (2) Nothing in subsection (1) above—
  - (a) shall affect the rate of tax chargeable on the supply or importation of light oil in containers not exceeding 20 fluid ounces, where the oil is intended for sale in those containers solely as fuel for mechanical lighters, as defined in section 221(4) of the Customs and Excise Act 1952; or
  - (b) shall apply to any goods of a description for the time being specified in Schedule 4 to the Finance Act 1972 (zero rating).

### 3 Relief for " do-it-yourself " builders

(1) After section 15 of the Finance Act 1972 there shall be inserted the following section—

**“15A Refund of tax to persons constructing new homes otherwise than in the course of a business.**

(1) Subject to the following provisions of this section, where, on or after 13th November 1974, tax becomes chargeable on the supply of goods to, or the importation of goods by, a person constructing a dwelling lawfully and otherwise than in the course of a business carried on by him, and those goods—

- (a) are incorporated in the dwelling or its site, and
- (b) are of such a nature that, if he were a taxable person constructing the dwelling for the purpose of granting a major interest in it, within the meaning of section 5(6) of this Act, he would be entitled to deduct that tax as input tax,

the Commissioners shall, on a claim made by him in that behalf, refund to him the amount of the tax so chargeable.

(2) The Commissioners shall not be required to entertain a claim for a refund of tax under this section unless the claim—

- (a) is made within such time and in such form and manner, and
- (b) contains such information, and
- (c) is accompanied by such documents, whether by way of evidence or otherwise,

as the Commissioners may by regulations prescribe.

(3) In this section—

- (a) references to a dwelling include references to a garage constructed at the same time as the dwelling and intended to be occupied together with it; and
- (b) references to the construction of a dwelling do not include references to the conversion, reconstruction, alteration or enlargement of any existing building or buildings.”

(2) At the end of section 40(1) of the Finance Act 1972 (appeals relating to value added tax) there shall be inserted the following paragraph:—

“(j) the amount of any refunds under section 15A of this Act”.

### 4 Refund to diplomatic missions, etc., of VAT on importation of hydrocarbon oil

At the end of section 17 of the Finance Act 1972 there shall be added the following subsection:—

“(5) In the following provisions, that is to say—

- (a) section 8(1) of the Consular Relations Act 1968,
- (b) paragraphs 6 and 12 of Schedule 1 to the International Organisations Act 1968, and
- (c) section 1(1) of the Diplomatic and other Privileges Act 1971,

after the words ' customs duty paid on' there shall be inserted the words ' or value added tax paid on the importation of.’”