Finance Act 1990

1990 CHAPTER 29

PART I

CUSTOMS AND EXCISE AND VALUE ADDED TAX

CHAPTER II

VALUE ADDED TAX

12 Domestic accommodation

(1) Section 14 of the Value Added Tax Act 1983 (credit for input tax against output tax) shall be amended as follows.

(2) The following subsection shall be inserted after subsection (3) (definition of "input tax")—

"(3A) For the purposes of subsection (3) above, where goods or services supplied to, or goods imported by, a company are used or to be used in connection with the provision of accommodation by the company, they shall not be treated as used or to be used for the purpose of any business carried on by the company to the extent that the accommodation is used or to be used for domestic purposes by—

(a) a director of the company, or

(b) a person connected with a director of the company."

(3) The following subsection shall be inserted at the end—

"(11) For the purposes of this section "director" means—

(a) in relation to a company whose affairs are managed by a board of directors or similar body, a member of that board or similar body;

(b) in relation to a company whose affairs are managed by a single director or similar person, that director or person;

(c) in relation to a company whose affairs are managed by the members themselves, a member of the company;

and a person is connected with a director if that person is the director's wife or husband, or is a relative, or the wife or husband of a relative, of the director or of the director's wife or husband."

(4) This section applies in relation to goods or services supplied, and goods imported, on or after the day on which this Act is passed.