
Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2005, Cross Heading: Interpretative provisions. (See end of Document for details)

SCHEDULES

SCHEDULE 1

DISCLOSURE OF VALUE ADDED TAX AVOIDANCE SCHEMES

Interpretative provisions

- 2 In paragraph 1 (interpretation), after the definition of “designated scheme” insert—
- ““non-deductible tax”, in relation to a taxable person, has the meaning given by paragraph 2A;”.

Commencement Information

- II** Sch. 1 para. 2 in force at 1.8.2005 by S.I. 2005/2010, art. 2 (with art. 4)

- 3 For paragraph 2 substitute—
- “2 (1) For the purposes of this Schedule, a taxable person obtains a tax advantage if—
- (a) in any prescribed accounting period, the amount by which the output tax accounted for by him exceeds the input tax deducted by him is less than it would otherwise be,
 - (b) he obtains a VAT credit when he would not otherwise do so, or obtains a larger VAT credit or obtains a VAT credit earlier than would otherwise be the case,
 - (c) in a case where he recovers input tax as a recipient of a supply before the supplier accounts for the output tax, the period between the time when the input tax is recovered and the time when the output tax is accounted for is greater than would otherwise be the case, or
 - (d) in any prescribed accounting period, the amount of his non-deductible tax is less than it would otherwise be.
- (2) For the purposes of this Schedule, a person who is not a taxable person obtains a tax advantage if his non-refundable tax is less than it would otherwise be.
- (3) In sub-paragraph (2), “non-refundable tax”, in relation to a person who is not a taxable person, means—
- (a) VAT on the supply to him of any goods or services,
 - (b) VAT on the acquisition by him from another member State of any goods, and
 - (c) VAT paid or payable by him on the importation of any goods from a place outside the member States,
- but excluding (in each case) any VAT in respect of which he is entitled to a refund from the Commissioners by virtue of any provision of this Act.”

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Commencement Information

I2 Sch. 1 para. 3 in force at 1.8.2005 by S.I. 2005/2010, art. 2 (with art. 4)

4 After paragraph 2 insert—

“Meaning of “non-deductible tax”

- 2A (1) In this Schedule “non-deductible tax”, in relation to a taxable person, means—
- (a) input tax for which he is not entitled to credit under section 25, and
 - (b) any VAT incurred by him which is not input tax and in respect of which he is not entitled to a refund from the Commissioners by virtue of any provision of this Act.
- (2) For the purposes of sub-paragraph (1)(b), the VAT “incurred” by a taxable person is—
- (a) VAT on the supply to him of any goods or services,
 - (b) VAT on the acquisition by him from another member State of any goods, and
 - (c) VAT paid or payable by him on the importation of any goods from a place outside the member States.”

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Commencement Information

I3 Sch. 1 para. 4 in force at 1.8.2005 by S.I. 2005/2010, art. 2 (with art. 4)

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