
STATUTORY INSTRUMENTS

1987 No. 437

VALUE ADDED TAX

The Value Added Tax (Charities) Order 1987

<i>Made</i>	- - - -	<i>17th March 1987</i>
<i>Laid before the House of Commons</i>	- - - -	<i>17th March 1987</i>
<i>Coming into force</i>	- -	<i>1st April 1987</i>

The Treasury, in exercise of the powers conferred on them by sections 16(4) and 48(6) of the Value Added Tax Act 1983(1) and of all other powers enabling them in that behalf, hereby make the following Order:

1. This Order may be cited as the Value Added Tax (Charities) Order 1987 and shall come into force on 1st April 1987.

2. Group 14 of Schedule 5(2) to the Value Added Tax Act 1983 shall be varied by:—

(1) inserting after item 10 and before item 11:—

“10A. The supply to a charity of, service of providing, extending or adapting a bathroom, washroom or lavatory for use by handicapped persons in a residential home where such provision, extension or adaptation is necessary by reason of the condition of the handicapped persons.”

, and

(2) deleting item 11 and by substituting the following:—

“11. The supply of goods in connection with a supply described in items 8, 9, 10 or 10A.”

3. Group 16 of Schedule 5(3) to the Value Added Tax Act 1983 shall be varied by:—

(1) deleting item 2 and by substituting the following:—

“2. The donation of any goods for sale or export by a charity described in item 1.”

,

(2) adding the following item:—

“10. The supply to a charity of a substance directly used for synthesis or testing in the course of medical research.”

(1) 1983 c. 55

(2) Group 14 was varied by S.I. 1984/489, 1986/530

(3) Group 16 was varied by S.I. 1983/1717, 1985/431, 1986/530

(3) deleting Note (4)(f) and by substituting the following:—

“(f) motor vehicles (with more than 6 but fewer than 51 seats) for use by an eligible body providing care for blind, deaf, mentally handicapped or terminally sick persons mainly to transport such persons.”

(4) adding at the end of Note (4):—

“(g) telecommunication, aural, visual, light enhancing or heat detecting equipment (not being equipment ordinarily supplied for private or recreational use) solely for use for the purpose of rescue or first aid services undertaken by a charitable institution providing such services.”

(5) deleting Note (12)(d), and

(6) adding at the end of Note (12):—

“(13) In items 9 and 10—

“substance” and “ingredient” have the meanings assigned to them by section 132 of the Medicines Act 1968.(4).”

Tim Sainsbury

Michael Neubert
Two of the Lords Commissioners of Her
Majesty’s Treasury

17th March 1987

EXPLANATORY NOTE

(This note is not part of the Order)

This Order extends the zero-rating provisions of Groups 14 and 16 of Schedule 5 to the Value Added Tax Act 1983 to cover certain supplies to charities and other public bodies. Relief is extended to the installation or adaptation of any bathroom, washroom or lavatory facilities for the handicapped in charity residential homes; drugs and chemicals directly used by a charity in medical research; welfare vehicles (having between 6 and 50 seats) for use by an eligible body in transporting the terminally ill; and telecommunication and other specialised equipment for use by charitable rescue and first aid services.

The Order also gives legislative effect to two existing extra-statutory concessions. The first covered the donation for export of goods to a charity established for the relief of distress and the second, which is embraced in the new relief for any bathroom, washroom or lavatory facilities, previously allowed relief for similar individual facilities in charity residential homes for the handicapped.