
STATUTORY INSTRUMENTS

1992 No. 1654

VALUE ADDED TAX

The Value Added Tax (Cars) (Amendment) (No. 2) Order 1992

Approved by the House of Commons

<i>Made</i>	- - - -	<i>9th July 1992</i>
<i>Laid before the House of Commons</i>	- - - -	<i>9th July 1992</i>
<i>Coming into force</i>	- -	<i>1st August 1992</i>

The Treasury, in exercise of the powers conferred on them by section 14(10) 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 (Cars) (Amendment) (No. 2) Order 1992 and shall come into force on 1st August 1992.

2. Article 2(a) of the Value Added Tax (Cars) (Amendment) Order 1992⁽²⁾ is hereby revoked.

3. The Value Added Tax (Cars) Order 1980⁽³⁾ shall be amended by inserting after sub-paragraph (d) of article 4(1) the following:

- “(e) the motor car is supplied to, or imported by, a taxable person for the primary purpose of—
- (i) being provided by him for hire with the services of a driver for the purpose of carrying passengers;
 - (ii) being provided by him for self-drive hire;
 - (iii) being used as a vehicle in which instruction in the driving of a motor car is to be given by him;
 - (iv) the letting on hire to a person who is not a taxable person on condition that he uses the motor car primarily for one of the purposes described in sub-paragraphs (i) to (iii) above;”.

⁽¹⁾ 1983 c. 55.

⁽²⁾ S.I.1992/627.

⁽³⁾ S.I. 1980/442; relevant amending instruments are S.I. 1989/959 and 1992/627.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

9th July 1992

Irvine Patnick
Tim Boswell
Two of the Lords Commissioners of Her
Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order, which comes into effect on 1 August 1992, amends the Value Added Tax (Cars) Order 1980 (“the Cars Order”). It revokes article 2(a) of the Value Added Tax (Cars) (Amendment) Order 1992, and replaces the new sub-paragraph (e) of article 4(1) of the Cars Order.

The Order enables private taxi firms, self-drive hire firms and driving schools to reclaim the tax on purchases of motor cars for their businesses. It also allows tax to be reclaimed by taxable persons who let cars on hire to persons who carry on such businesses, but are not taxable persons.