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STATUTORY INSTRUMENTS

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**1995 No. 2518**

The Value Added Tax Regulations 1995

PART XIV

INPUT TAX AND PARTIAL EXEMPTION

**Treatment of input tax attributable to exempt supplies as being attributable to taxable supplies**

**106. —**

(1) Where in any prescribed accounting period or in any longer period the exempt input tax of a taxable person—

- (a) does not amount to more than £625 per month on average, and
- (b) does not exceed one half of all his input tax for the period concerned,

all such input tax in that period shall be treated as attributable to taxable supplies.

(2) In the application of paragraph (1) above to a longer period—

- (a) any treatment of exempt input tax as attributable to taxable supplies in any prescribed accounting period shall be disregarded, and
- (b) no account shall be taken of any amount or amounts which may be deductible or payable under regulation 115.